BRAND ALIGNMENT: DEVELOPING A MODEL FOR COMPETITIVE ADVANTAGE THROUGH A STUDY OF SELECTED SOUTH AFRICAN COMPANIES

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ABSTRACT

The role of brand has evolved to take on a broader application as a post-modern management concept and has attracted increasing attention in the 21st century as a key component for the development of competitive advantage. Far removed from its origins as an identity device, branding now transcends the pure marketing interpretation and is increasingly seen as a catalyst for corporate strategy and a tool for holistic reputation management and business performance.

This thesis evaluates the extent to which brand is being adopted as a mechanism to align with corporate strategy, internal culture and supporting behaviours and external delivery or organisational performance: in essence, the concept of a brand-driven organisation that deploys brand as a core capability in pursuit of competitive advantage. This evaluation takes into account defined South African perspectives and examples in a case research approach. It seeks to evaluate how the brand alignment methodology can advance current theory and be applied as a management practice.

The research argues that brand extends beyond the marketing function or the end-point of organisational systems and delivery. Rather, it suggests that brand becomes integrated as one of the primary elements of corporate strategy and seeks to embrace strategic organisational intent, internal culture and external manifestation of the business vision and results. The organisational architecture model is adapted to suit this research and offer a brand alignment framework that facilitates the effective and efficient implementation and realisation of strategic intent. This links brand alignment to resource-based theory and posits that it is considered as a core capability within the firm, enabling the attainment of competitive advantage.

This thesis concludes that brand is not confined to an aspect of marketing, but should be deployed holistically in the organisation as a core capability and opportunity for competitive advantage. The research demonstrates an emerging body of thought and advances theory and practice in this area of business, both academically and in a professional management context, offering possibilities for continued further research in this field of management.

Keywords:
brand alignment; competitive advantage; internal branding; resource based theory; brand capability; brand equity; leadership; culture; organisational values.

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CHAPTER 1 – INTRODUCTION

1.1 Background

In its 125th year of operation in 2011, the Coca-Cola brand is valued at US$ 72 billion (Interbrand, 2011) and indicates a 2% year-on-year growth as it continues to lead the brand value league tables and delivers 1.7 billion servings around the world on a daily basis. This is the scale, magnitude and value of a brand in the modern era. Branding as a field of study is highly relevant in the current business and academic context, given its evolution over the last century and the increasingly important role it plays in business today as the communication of an organisational promise (Keller, 2008:3). Brand is no longer confined to the expression of a product to the consumer, but is increasingly viewed as a critical dimension of corporate reputation (Salinas, 2011:8). This is highlighted in consulting studies such as that of Interbrand (2011), which publishes an annual table of brand values of leading companies, accounting for the recognition of considerable intangible asset value on the balance sheet. Aaker (2004:7) draws attention to the increasingly important connection of brand to the corporation, while Keller and Lehmann (2006:740) suggest that branding is prioritised as a management issue.

Brand and the function of brand management has been classically defined as a component of marketing and specifically, the promotional activity that integrates the sales and manufacturing function within the organisation. Although this definition has evolved somewhat over the years, there is still evidence that this external, promotional focus is at the heart of much of today's brand-building activity (Aaker, 2002; Ambler, 2003; Kapferer, 2008; Keller, 2008). This, for example, manifests in a publication such as the Financial Mail Adfocus (2011), which is entirely centred on the external brand building investment and activity in the majority of the South African marketing communications industry.

Historically, brands emerged as early as the Greek and Roman empires when craftspeople and farmers placed identifying marks on their goods prior to sending them to the market. In the early 19th century certain consumer products became true mass-market brands, reflecting uniform packaging and advertising campaigns. As the rate of literacy increased, so the rate of advertising spread, opening large markets to mass merchandising. In a post Great Depression era, the concept of true brand management was born within the Proctor and Gamble Group (P&G). This served as the basis of classical consumer branding (Aaker & Joachimsthaler, 2000:5) in which brand management was deployed as a means of creating a brand's marketing programme and coordinating it with sales and manufacturing, including advertising, but also other marketing tools such as pricing, promotions, in-store displays, sales force incentives, packaging changes and product refinements.

By the turn of the 21st century, branding had exploded as both a cultural and an economic phenomenon, giving rise to a school of thought suggesting that it should play a greater role within the organisation and naturally, society at large (Drawbaugh, 2001; Keller, 2008). Through technological change and increasing globalisation in the late 20th century, the boundaries between products and services have increasingly become blurred while the rate of mergers and acquisitions between organisations has given rise to the concept of the corporate brand. Furthermore, competitive advantage increasingly depended upon consumer perception and market differentiation. In 1990, McDonald's opened a restaurant in Moscow and brands such as Coca-Cola and Levi's were suggesting that they had played a role in helping to topple communism in Russia and Eastern Europe.

The pervasiveness of brand as a global phenomenon and the economic, cultural and social impact of it on our lives are brought sharply into focus with a critical perspective by Klein (2001:325), in which she asserts that brand is at the heart of rising consumerism which is out of control and the subject of multinational, commercial exploitation of people. The strong moral and political dimension of her work notwithstanding, the global impact and importance of brand is made abundantly evident in her writing.

Keller and Lehmann (2006:740) suggest that ‘branding has emerged as a top management priority in the last decade due to the growing realisation that brands are one of the most valuable intangible assets that firms have’. This intense interest, they suggest, has spawned a plethora of writing in recent years. They summarise some of the key academic research and progress in this regard. In spite of this immense interest in branding, Thomson (2004) alludes to the rise of human resource practitioners and their impact on the business and the boards of companies, at the expense of their marketing counterparts, over the issue of lack of cohesion and accountability of the marketing and branding function. At times, the said marketing practitioners are accused of not being sufficiently strategic to the organisation or lack clear and defined measures of a bottom line contribution to the firm (Ambler, 2003:3).

Kimpakorn and Tocquer (2010:378) refer to the works of Aaker (2002) and Keller (2008) being centred on the fast moving consumer goods industry. They propose the adoption of an evolved approach for the services industry, in which there is a heightened orientation toward employees and their role in brand delivery, and ultimately, brand equity determination. Vallaster (2004:100) supports this notion, suggesting that branding has enjoyed high levels of research interest in recent decades, with a strong focus falling on defining a brand in the minds of consumers. This suggests an emergent line of thinking directed at the internal dimension of the organisation. Baumgarth and Schmidt (2010:1250) also bring this emerging phenomenon into focus as an important issue in the industrial market. This emerging discourse suggests that brand as an internal construct in organisations warrants more attention and is potentially receiving insufficient focus.

This points to the problem statement of this thesis. Brand, as a concept, is adopted too narrowly by business (Schmidt and Ludlow, 2002:21) in that it focuses predominantly on brand as an external issue. There is a need to examine contemporary thinking, and to explore a framework of theory regarding brand as a means for developing competitive advantage when aligned internally and externally to the organisation in a more holistic and integrated manner. This thinking is further supported by Sherrington (2003), Thomson (2004), and Sartain and Schumann (2006), who observe that there is a need for human resources, marketing and leadership as a whole in order to integrate efforts and utilise brand as a catalyst on the inside of the organisation to build towards a more holistic approach to brand as a business tool.

1.2 Theoretical foundation of the thesis

In the approach to this thesis, several theoretical constructs have been considered prior to the detailed literature review contained in Chapter 2, which covers the evolution of brand literature specifically and builds towards the construct of brand alignment. As an initial theoretical framework the notion of competitive advantage and the resource-based view are considered in order to give context to the idea of brand alignment. This is followed by an overview of brand as a central idea, informed by external marketing and reputation in particular.

Consideration is given to organisational behaviour so as to frame the discussion on internal branding and culture, leading into the notion proposed by the author in this thesis — brand alignment. Corporate strategic intent finalises the early theoretical discussion and the conclusions pertaining to a proposed theoretical framework are drawn.

1.2.1 Competitive advantage

Grant (2002:150) suggests that the primary goal for strategy is to establish a position of competitive advantage for the firm and maintains that when two firms compete, one firm possesses a competitive advantage over the other when it earns a higher rate of profit or has the potential to do so. He does contend however, that profitability is not the only measure of competitive advantage and may also be considered in the context of market share, employee rewards or philanthropic causes. Competitive advantage is considered as the core outcome of a brand alignment approach within the organisation, as put forward by the author of this thesis. This perspective is supported by Grant (2002:15) who avers that a turn toward the resource-based view of competitive advantage took place in the 1980s and 90s in which there was less emphasis placed on market positioning as espoused by Porter (1985), for example, and more so on the unique internal resources and capabilities of the organisation.

Doyle (2001:257) argues that resource-based theory proposes that defining an organisation in terms of its assets and core capabilities offers a more durable basis for strategy than a definition based on the customer needs that the business seeks to address. He further argues that sustained success depends on more than simply satisfying market opportunities, but depends more on the special capabilities required for delivering at lower cost and higher quality, or building more effective and valuable customer relationships than the competition does. He furthers that the key to creating shareholder value in competitive markets is in possessing differential advantage to deliver lower cost, higher quality or enhanced relationships and that achieving this differential advantage is dependent upon the firm's business processes and resources, expressed as capabilities.

Grant (2002:150) explores the principles of competitive advantage against the premise that it is the primary goal for strategy in the organisation and defines the conditions that must be met in order to satisfy customers and to survive the pressures of competition. In probing the nature and sources of competitive advantage he identifies 'new game' strategies, that is, competitive advantage through innovation, explaining that in the business context, innovation embodies a new approach to conducting business with a particular emphasis being placed on imagination, intuition and creativity.

Ray, *et al.* (2004:25) highlight the ability of an organisation's intangible resources and capabilities to build sustainable competitive advantage, positing that resource-based logic suggests that while all resources are important in enabling an organisation to execute a business process, it is the intangible resource that is likely to constitute a source of sustained competitive advantage due to the difficulty in replicating such advantage. Barney (2001:643) states that business processes that exploit valuable, rare and costly-to-imitate resources could constitute a source of sustained competitive advantage.

Naturally, once competitive advantage is established, it is subject to competitor attack. The pace at which competitive advantage is undermined will to a large extent depend on the capability of the competitor to either imitate or innovate. Grant (2002:168) explores various advantage and differentiation models and draws from Porter (1985:122) in his analysis, making several adaptations to his competitive advantage framework. In this regard, the parallel of his analysis on differentiation variables to some of the fundamentals of the branding process is of interest. He suggests that differentiation extends beyond the physical characteristics of the product or service to encompass everything about the product or service that influences the value that customers derive from it. Furthermore, he purports that differentiation is likely to be built into the identity, style and values of a firm while he also emphasises the importance of intangible resources, such as brand, in building competitive advantage. It is this fundamental principle that integrates the thinking regarding the resource-based view and brand alignment, as discussed below.

1.2.2 The resource-based view and brand alignment

There is wide acceptance of what strategists and practitioners call the resource based view (Hamel and Prahalad, 1994; Barney, 2001; Grant, 2002) which proposes that defining the firm in terms of its assets and core capabilities offers a more relevant basis for strategy than a definition based upon customer needs that the organisation seeks to fulfil.
Grant (2002:16) observes that toward the latter part of the previous century, the analysis of competitive advantage, as an output of strategy, increasingly turned toward the internal aspects of the firm. With work on the resource-based view and organisational competencies and capabilities focusing the shift of strategic management towards competitive advantage, the importance of innovation and the role of internal processes within the firm emerged. Barney (2001:649) acknowledges the role of the tangible and intangible assets that firms use to develop and implement their strategies and confirms that they are often interchangeably referred to as ‘resources’ and ‘capabilities’, building on

the assumption that that they can be heterogeneously distributed across competing firms; can build long-lasting differences, often explaining why some firms consistently outperform other firms; and achieve sustained competitive advantage.

Doyle (2001:258) makes the connection between the resource-based theory and brand on the basis that brands form part of the intangible asset base that drives the firm’s core business processes, and the ultimate link with the creation of shareholder value. This is examined in further detail in Chapter 2 and in the interim ties resource-based theory together with brand as a strategic resource, in much the same manner that Grant (2002) suggests above, thus facilitating the notion of brand alignment as a possible capability within the organisation.

Hamel and Prahalad (2005:161) propose that strategic intent as a component of competitive advantage requires a fresh and innovative approach, while Hamel (2007:32) later suggests that significant management innovation is required today in a form that drives strategic innovation, ultimately impacting both product and services innovation, through operational innovation in the organisation. In the process, he brings the future of management sharply into focus with respect to the priorities of new ways of mobilising talent, allocating resources and building strategies. In this thesis, the author sets out to contribute to thinking in this direction and seeks to highlight the increasingly important role of brand.

1.2.3 The role of brand in competitive advantage

On examination of Porter (1985:122) and his generic value chain thinking, in particular, it is again noteworthy to observe the accentuation of the development of corporate reputation as a means of developing successful differentiation, which is very much aligned with the resource-based approach. In a holistic sense, many of the value chain elements, whether primary or support activities, underpin reputation management and development. This issue is deliberated at some length in Chapter 2 during the detailed literature review. Fombrun and van Riel (2004:6) contextualise and support this view in more current writing, suggesting that reputations matter and ultimately create differentiation and competitive advantage. They suggest that brand and reputation are intertwined and offer several identified environmental trends that submit the importance of differentiation based on reputation:

- Globalisation and the blurring of competitive boundaries
- Information availability and how this influences buyer decision making
- Product commoditisation – increasing homogeneity of product and service, suggesting alternate drivers of purchase choice
- Media mania and their role in influencing corporate governance and raising management reputation through increased visibility
- Advertising saturation – reputation is an effective tool in the mix and able to rise above the communication clutter
- Stakeholder activism and their attack on the reputational foundation of some of the world's most visible organisations.

Grant (2002:121) considers reputation and brand as a strategic resource and distinguishes between the tangible and intangible in analysing differentiation opportunities. Tangible differentiation is concerned with observable characteristics such as the colour, weight, design, etcetera, of a product, as well as the aspects of reliability, consistency, durability and safety. Intangible differentiation, on the other hand, considers aspects such as social, emotional, psychological and aesthetic issues, often linked to consumer motivational forces such as status, exclusivity, individuality and security. Whilst the above is somewhat detailed in a brand context, Grant (2002:127) also purports a distinction between the tangible and intangible in a context of organisational capability, with the term tangible referring to resources such as money within an organisation, whereas intangible resources include brand, holistically, as well as culture.

In support of the pace of change, Hamel (2000:13) places a strong emphasis on innovation as being the key to the development of sustainable competitive advantage. He postulates the replacement of concepts such as continuous improvement with nonlinear innovation. He also advocates that product and process innovation should be replaced with total business concept innovation, signalling a new and radical approach to business in the 21st century. In essence, intangible assets are more important than tangible assets in building competitive advantage, according to Grant's (2002:136) guidelines for assessing the rent-earning potential of assets, Barney's (2001:643) VRIO framework for assessing resources and capabilities, or Keller's (2008:492) concept of discounted future cash flow anchored in the reputation of the organisation or brand. It is this resource-based view that underpins the theory that the building of corporate reputation and brand is key to organisational success.

1.2.4 Marketing and reputation

As a fourth issue, the role of marketing and reputation as an expression of branding is linked to the notion of a resource-based view of competitive advantage. Doyle (2001:259) purports that brand management must be viewed as an integrated part of the total management process rather than a specialist marketing activity and that it can only constitute a core capability of the firm when it is effectively coordinated with the firm's other resources in order to enhance all the core business processes. The brand alignment suggestion in this thesis takes a holistic organisational approach to capabilities and competitive advantage.

Fombrun and van Riel (2004:20) confirm that brand and reputation matter because they are intrinsically connected to the strategic positioning of the firm as a whole, reflecting a firm's relative success at convincing upstream, downstream and diagonal stakeholders with regards to the current and future validity of its strategic direction. In the view of the author, the brand alignment construct seats itself centrally within the connection between stakeholders and the strategic position of the organisation — the internal brand addresses the requirements of the employee as stakeholder while the external brand works towards the multi-dimensional external stakeholder groups, while the overlapping brand alignment model mobilises the organisation and its internal resources to deliver against stakeholder expectation, building distinctiveness and competitive advantage. In this process, the creation of financial value occurs to the organisation.

While brand per se was covered in the previous section and again in detail in Chapter 2, the function of marketing and reputation provides context in the early approach to this thesis, insofar as the messaging and relationship management of stakeholders is concerned.

In a classic definition of marketing, Perreault and McCarthy (1996:8) purport that marketing is both a set of activities carried out by the organisation and a social process. Accordingly, they chose to define marketing at two levels:

- Micro-marketing, in their definition, refers to a set of activities carried out by an organisation that aim to achieve its objectives by anticipating customer or client needs and managing a response through the provision of need satisfying goods and services from producer to customer or client.

- Macro-marketing, on the other hand, they define as a social process that influences an economy's flow of goods and services from producers to consumers in a manner that balances supply and demand and achieves the overall objectives of society.

The traditional view of the marketing mix involves the effective use of the key marketing instruments available to satisfy consumer needs and accomplish tactical marketing and business objectives (Kotler, 2001:32). The key instruments in question are what are commonly known as the marketing mix or the 4 Ps of marketing: product, promotion, place, and price. The contemporary marketing perspective has evolved in line with shifting markets and business dynamics, and notwithstanding the wide acceptance of the concept of the marketing mix, there are those who question its purist validity today, suggesting that the model is limiting and encourages restrictive marketing thinking, and ultimately, the efficacy and returns to the organisation (Ambler, 2003; Keller, 2008; McDonald and Mouncey, 2009).

Kotler (2001:12) and Sherrington (2003:6) concur that a new era in strategic marketing where the focus falls on demand-led activity and the development of profitable business through world class marketing has begun. Venter (2009:19) argues that strategic marketing is a vital part of the firm's business strategy and that the core of the strategic marketing process encompasses segmentation, targeting and positioning processes, which enable the organisation to focus on particular market segments that are both attractive and suit its unique capabilities. Chapter 2 covers some of the limitations of the traditional view of marketing as well as a discussion of the potential impact of the brand alignment approach.

Services marketing is afforded special attention by Lovelock (1998:19) in which he highlights the distinctive aspects of marketing the intangible, with a particular emphasis on customer service and the concept of experience as well as the integration of the principles of quality improvement and productivity in enhancing value in the customer service function. A detailed analysis of services marketing falls outside of this study. Suffice to say that the principle of brand alignment within the organisation exerts a significant impact on service delivery. The role of people and brand is highlighted within the services industry and is potentially relevant to non-services sectors within the modern economy, particularly when placed in the context of brand alignment and the resource-based view of the firm as well as the potential impact that this has on organisational behaviour and culture as the competitive advantage. This issue is discussed in the ensuing section.

1.2.5 Brand and culture

The discipline of organisational behaviour and culture, specifically, is relevant to this study in that brand alignment seeks to influence culture and align performance such that it meets the external marketing and brand expression of the organisation. This concurs with the view of Barney (1986:663) who concludes that an organisation's culture could be a source of competitive advantage if that culture is valuable, rare and imperfectly imitable, and that it is one of several attributes that differentiate firms from one another, allowing some firms to use it as a measure of superior financial performance. Rindova and Fombrun (1999:693) share this opinion in their framework, which links culture as a human intervention that influences the firm and can derive competitive advantage. Doyle (2001:258) supports this thinking by highlighting the role of organisation and culture as core capabilities to influence brands within the resource-based theory of the firm. This has warranted an overview of key influences of organisational behaviour, culture and values.

Robbins (1989:212) evaluates the early theories of motivation as a central component of organisational behaviour and looks at foundational models such as Maslow's hierarchy of needs and McGregor's Theory X Theory Y, suggesting that these early theories, although well known, have not held up under close examination. Robbins purports that contemporary theories of motivation represent the current thinking in explaining motivational behaviour and its impact on the broader discipline of organisational behaviour as a whole. He proposes a series of contemporary motivation theories and suggests an integrated model to demonstrate the interconnectedness in the context of organisational behaviour. A proposed brand behaviour dimension to the research proposal suggests that this area will require more probing and development of a supporting school of thought, given the extent of behavioural dynamics in the 21st century. Schein (1996:229) reflects on the evolution of organisational psychology and the move away from the predominantly negative view of human nature in dated managerial control systems, arguing that corporate culture as we know it today is potentially one of the most powerful and stable forces operating in organisations in the modern era. This highlights the potential for brand alignment as a core capability in the firm, in that it can bring shared meaning and human behaviours that equip the firm to better realise its strategic intent through the mobilisation of resources and meeting of strategy implementation initiatives in a differentiated manner.

Drucker (2001:4) suggests that knowledge workers collectively own the means of production and are in a sense emerging as the new capitalists. Increasingly, organisations are looking to their people as a means of developing differentiation in the market and driving sustainable competitive advantage, given the increasing service and product parity that exists in the modern global economy (Schmidt & Ludlow, 2002:10).

Ghemawat (1986:53) adopts a process and market access train of thought in his approach to sustainable advantage and highlights the danger and organisational vulnerability of such advantage vested in personnel who can exit at any time, while the corporate value system is identified as a vital link between planning and action in a strategic approach to competitive advantage (Gluck, Kaufman & Walleck, 1980:2). Drucker (2001:4) suggests that knowledge workers collectively own the means of production and are in a sense emerging as the new capitalists. Schein (2001:42) also acknowledges this in his examination of culture in a globalising economy where growth necessitates the integration of cultural values across transnational boundaries and the challenge that this imposes on business.

Barrett (2006:19) offers a contemporary perspective on the role of culture in the organisation and his pioneering work on cultural transformation as a methodology for driving competitive advantage. He posits that the development of a cultural roadmap for the evolution of consciousness within an organisation enables a group of people to build a sustainable, high performance environment and renders them more successful at what they do. Barrett (2006:20) further suggests that this very approach is assisting leaders in their own transformation and that they are increasingly recognising organisational culture as a source of competitive advantage.

1.2.6 Brand alignment

Brand alignment is positioned in this thesis as an organisational capability within the firm. This fits the resource-based view of competitive advantage and aids the organisation in an integrated strategic response, which draws together key dimensions of the organisation (e.g., organisational structure, leadership, organisational culture, policies and strategies) to guide the strategic formulation, alignment and implementation thereof (Venter, 2006:394). The notion of brand alignment therefore seeks to explore and build upon this principle that leadership, culture and values have a significant effect on the opportunity to build organisational capability and competitive advantage, using brand as a central construct which integrates and aligns internal messaging, mobilises the firm's resources and drives people behaviours to meet with the external promise, brand, and reputation of the firm. In order to advance this concept, a suitable framework for implementing strategy and aligning organisational effectiveness is examined.

Organisational architecture is a management tool that is used to describe the workings of an organisation, whereas organisational architecture is a document that provides a holistic and often invisible, outline of the workings of an organisation (Lee, Venter & Bates, 2004:13). Ulrich (1998:124) integrates this idea into the human resources domain by suggesting that it is the underlying model of the firm's way of conducting business, whereas Veasey (2001:420) posits that it is a model of the firm that can be shared by everyone involved in managing change and thus has an increasing level of appeal in the context of the current economic and business landscape.

Organisational architecture as a strategic tool has grown in popularity in recent years due to its value in aligning the organisation to ensure strategic attainability. It is proposed that crafting and formulating an effective strategy forms only part of the job, highlighting the critical aspect of implementation, which is often almost entirely dependent on the internal functioning of the organisation (Venter, 2006:394).

Organisational architecture is thus an integrated strategic response which serves to draw together key dimensions of the organisation employed to guide efficient and effective strategic implementation; almost entirely dependent on its internal functioning. As a framework for ensuring strategic attainability, it is considered as an idea for brand alignment and as a tool for competitive advantage, serving as a point of departure; this is visited again in Chapter 2 where it is examined in further detail. The positioning of the brand alignment idea therefore sits as a central construct in the business in which initial corporate strategic intent ultimately manifests in sustainable competitive advantage as an outcome.

1.2.7 Corporate strategic intent

Corporate strategic intent gives context to the overall research direction and puts the notion of brand alignment, in pursuit of competitive advantage, into perspective. Grant (2002:4) defines the concept of strategy as being fundamentally about winning. In a comparative illustration of firm, sport and entertainment successes, he highlights four features of strategy that contribute towards success, albeit that it does not guarantee it:

- Goals that are simple, consistent and long term
- Profound understanding of the competitive environment
- Objective appraisal of resources
- Effective implementation.

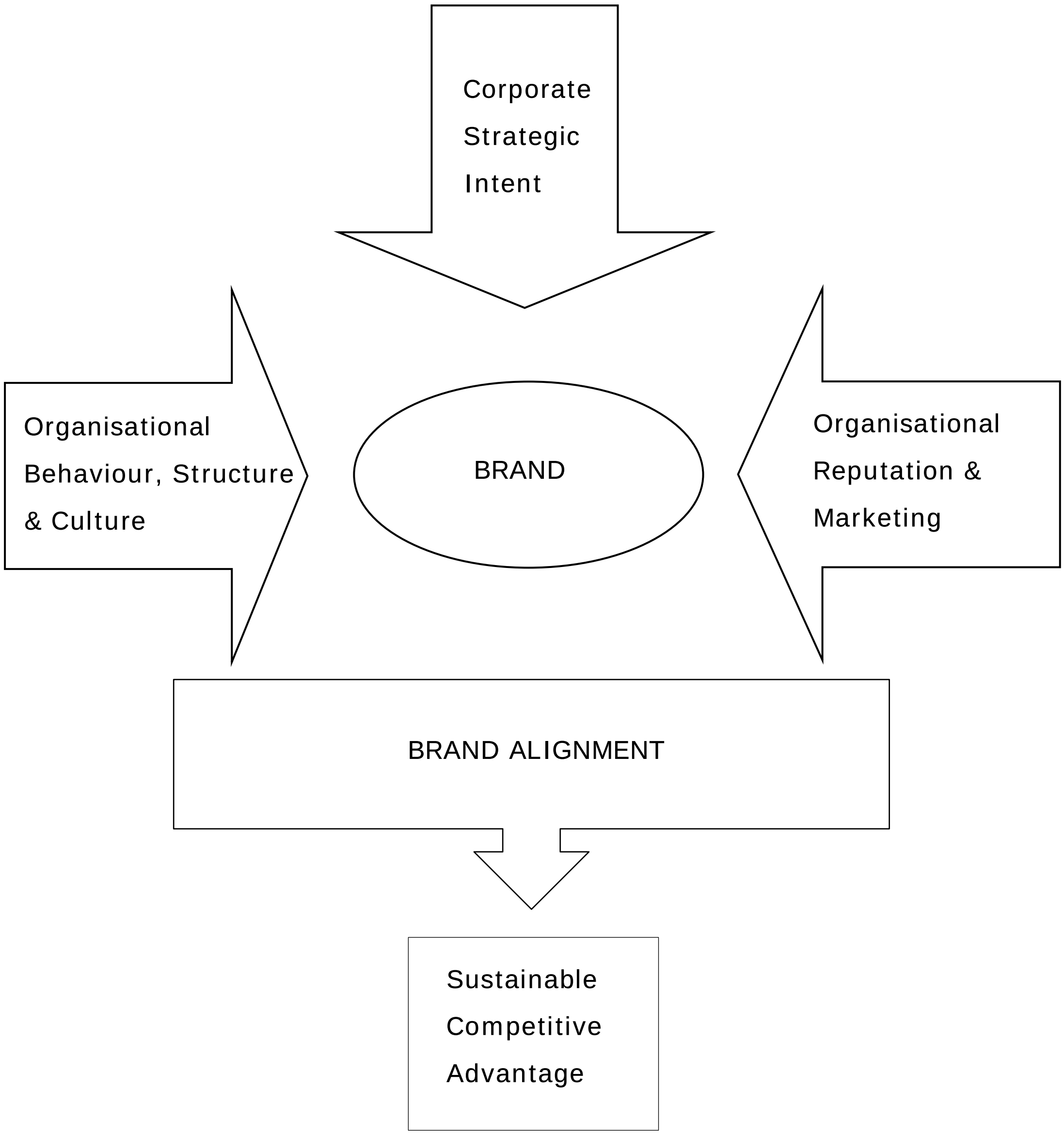
From the origins of strategy through its military style antecedents, business strategy was adopted as a means of managing large, complex organisations and typically included a five-year corporate planning document that set goals and objectives, forecast economic trends, established priorities for products and business areas, and allocated resources throughout the firm (Grant, 2002:13). Heightened periods of macroeconomic instability and intense turbulence witnessed the role of top management evolving into strategic management rather than corporate planning. The heightened element of competitiveness heralded the arrival of an increased awareness of the external environment and Porter's (1985:122) thinking with regards to the analysis of industry and competition as a construct, rose to prominence. Ray, *et al.* (2004:26) add that to realise the full competitive potential of its resources and capabilities, an organisation must organise its business processes efficiently and effectively; a view that meets with the concept of organisational architecture forwarded by Venter (2006:397) upon which the idea of brand alignment builds. Ray, Barney, *et al*. (2004:26) further maintain that because they are path dependent, socially complex and causally ambiguous, it is reasonable to expect that business processes that exploit intangible resources within the firm are likely to constitute a source of competitive advantage rather than business processes that exploit tangible resources, while acknowledging that tangible and intangible resources are often considered together to enable a particular process. Brand alignment as a possible model is offered as an intangible resource and capability to the organisation.

Hamel and Prahalad (2005:148) look at strategic intent in the context of high performance organisations and posit that incremental strategic thinking should make way for a more innovative and accelerated pace of change. They further suggest (2005:159) that this is the function of the entire organisation, rather than the domain of a select few; and advance that a holistic approach to strategic intent is required. Hamel (2007:32) individually accentuates this again in defining the future role of management in a turbulent world with challenged economies, arguing that a new and innovative model is necessary. It is this very notion that informs the author's approach to this thesis, suggesting that the brand alignment model offers an innovative and dynamic alternative to strategic intent in pursuit of competitive advantage.

1.2.8 Theoretical conclusion

This theoretical foundation thus serves as the basis for the thesis and is depicted graphically as a conceptual framework in Figure 1.1. The researcher adopts an early thought process to brand at the core of a possible business model, integrating corporate strategic intent and bringing brand alignment internally to the organisation as a core capability, through organisational behaviour, structure and culture as well as to the external manifestation to stakeholders of organisational reputation as well as brand and marketing in a manner that contributes towards sustainable competitive advantage. The literature review and research objectives thus probe this indicative thinking in the search for a model that advances current academic theory and management practice. Figure 1.1 frames the discussion regarding brand alignment as the realisation of corporate strategic intent, in pursuit of sustainable competitive advantage. The brand alignment construct is examined within the context of organisational architecture which seeks to align resources and mobilise the organisation in the quest for strategic implementation. In examining the literature, brand alignment straddles the internal and external stakeholders of the organisation. At an internal level, the researcher looks at organisational behaviour and considers culture as a competitive advantage (Barney, 1986; Ulrich, 1998; Barrett, 2006) while also considering aspects such as structure and processes that are unique to the organisation. At an external level, the role of marketing and reputation is examined (Kotler, 2001; Ambler, 2003; Fombrun & van Riel, 2004) in conveying this to key stakeholders and reinforcing the competitive position of the firm.

The culmination of the above emphasises a number of conceptual aspects of the firm's resources and routines in order to examine an understanding of the nature of the firm's capabilities and to explore in some depth the relationships between the firm's resource base, its competitive advantage and its profit potential (Grant, 2002:145), through the construct of brand alignment as a model to consider an emergent business phenomenon.



Source: Author

Figure 1.1: Research proposal concept framework.

The principle summary of Figure 1.1 suggests that an exploration of thinking in better aligning and integrating the internal and external organisational efforts, is centred on brand as a core capability within the resource-based view, and as part of the organisations' strategic intent, will realise gains in competitive advantage of a sustainable nature. The aforesaid serves to inform the research objectives of this thesis.

1.3 Research objectives and questions

The purpose of this research is to develop a model that aligns brand behaviour throughout the organisation in a manner that drives competitive advantage. The researcher therefore probes 'how and why' organisations should align their internal operations, culture and people, with their external brand promise in order to establish such a competitive advantage and create shareholder value.

The primary research question thus translates into the examination of the degree of alignment in organisations of the internal with the external brand manifestation, as an expression of corporate strategic intent in the quest for sustainable competitive advantage. It is formally stated as follows:

- How do companies achieve brand alignment to optimise business performance and obtain competitive advantage?

This question will necessitate probing and evaluation of a number of dimensions that will essentially serve as a series of secondary questions to the research, all informing the primary research question:

- How do organisations ensure synergy between brand and the corporate strategy?

- How do organisations ensure that the internal brand is synchronised with the external brand?
- What methods and approach will enable the alignment of internal and external brands and the achievement of the strategy?

- Why should existing brand equity theory and practice incorporate the brand alignment measure?

The research objectives therefore centre on an opportunity to define a brand-led approach to corporate strategy, involving a high degree of executive integration and a strong alignment of brand philosophy within the organisation in support of the external messaging and offering and the operational performance of the business.

1.4 Research approach

The review of literature throughout this thesis supports the notion that a holistic and integrated approach to the construct of brand alignment has not been fully developed and consequently, a gap in theory currently exists and therefore, a research opportunity. This gap lends itself to an exploratory study of an emerging phenomenon and the pursuit of a theory-building approach, which is the approach adopted in this study.

A qualitative approach to the study is undertaken and supported by authors like Yin (2003:2) who suggest that this method assists researchers who seek to understand complex social phenomena. Corner (1991:719) posits that qualitative methods generate theory from the actor’s perspective, and Miles and Huberman (1994:6) suggest the many advantages and features of the qualitative approach. This is fully detailed in Chapter 3. Eisenhardt (1989:532) asserts that it is the intimate connection with empirical reality that gives rise to and permits the development of testable, relevant and valid theory. Grounded theory, as it was originally defined (Glaser and Strauss, 1967), is therefore deployed in this research, not for theory or proposition testing, but for the development of theory.

The case research approach is adopted in order to examine this contemporary and dynamic phenomenon in context. Perry (2001:306) suggests that in social science phenomena there are few direct causal links between data because they are strongly influenced by the context. In addition, Yin (2003:9) suggests that the case research approach is well suited to addressing the ‘how and why’ research problem; and is therefore most appropriate to a study of this nature.

Eisenhardt (1989:532) and Yin (2003:1) describe case research as the investigation of a contemporary, dynamic phenomenon and its emerging rather than paradigmatic body of knowledge. It is the view of the author that brand alignment is an emerging phenomenon and meets the criteria for an effective case research approach. Research methodology and design are covered comprehensively in Chapter 3.

1.5 Delimitations of the study

The scope of the study hinges on an in-depth evaluation of the concept of brand alignment. The researcher does not look at the development of all the capabilities in the organisation per se, but rather, how they contribute to the process of organisational architecture and how brand alignment in turn aids the development of competitive advantage. As such, this research serves as an exploratory study into the emerging discipline of branding and its ability to transcend well established facets of management theory as they exist today. The research probes a select population of companies in South Africa, all of which include an element of regional or international operations in addition to their local domicile. By conducting this study and drawing parallels with international research and case study findings, certain conclusions were drawn in the formation and development of a new body of theory, possibly also serving as a basis for additional future research. This thesis also closely evaluates current international norms and trends from available secondary research that has been conducted.

The study is not industry sector-specific and seeks to triangulate findings across both service and resource or manufacturing sectors.

1.6 Ethics

There were no significant ethical issues during the study as there was open and informed consent on the part of case respondents and data were fully reported across the study. Individual respondents were presented with university correspondence highlighting the research objectives and were assured anonymity in their commentary. They willingly volunteered their contribution during the process. Participating companies were made fully aware that the research was intended for academic purposes only and that all findings were available to them in full. All four case organisations were in agreement regarding participation and the disclosure of findings and waivered the need to put in place confidentiality or non-disclosure agreements. While the cases contained full company disclosure, individual identities were kept confidential in the interest of ensuring anonymity and protection against any individual comments or data. Individuals who were interviewed where made aware of this and agreed to this approach.

1.7 Limitations

In terms of possible limitations, the research did not aim to scientifically prove or disprove an existing framework or methodology; hence no hypothesis is offered in this regard. The research is confined to an exploratory study into the field of branding and specifically brand alignment as an emerging discipline, with the intent of identifying and defining new theory in this direction.

The research boundaries are thus an explanatory study in nature, probing the phenomenon of brand alignment as an emerging conceptual framework that can enhance existing theory and management practice, giving rise to further research and hypothesis testing.

1.8 Chapter overviews

Chapter 2 brings internal branding into focus more sharply and concentrates on an in-depth analysis of literature currently covering this line of research. It offers a detailed view of the contemporary nature of internal branding and specific research around brand alignment.

Chapter 3 focuses on research design and methodology, and comprehensively covers all aspects of the research strategy deployed in this thesis.

Chapters 4 through 7 cover the individual case analysis of cases A to D. This spans two support cases and two contrast cases, across both the manufacturing or resources sector and the services sector.

Chapter 8 brings together the cross case analysis conducted across the four cases and reports this in an integrated format, with the research findings that emanate from this.

Chapter 9 submits the conclusions to the thesis and includes practical implications for management as well as recommendations for further research.
The document concludes with the reference list and the appendices.

CHAPTER 2 – LITERATURE REVIEW

2.1 Introduction

While Chapter 1 pursued an overview of the literature required in the formation of a research direction and possible gaps in existing theory, Chapter 2 brings focus to the review of literature in the evaluation of the research area of brand alignment. In examining internal branding in detail, the author looks briefly at the external brand initially, then migrates to the internal marketing and internal branding functions in some depth, followed by a detailed examination of the construct of brand alignment and its component parts as a possible new approach.

2.2 External branding

While external branding is not the primary focus of this thesis, it does warrant a brief mention in the context of brand alignment research, given that the analysis seeks to understand how an organisation builds its internal capability to meet its external market position, in a manner that derives competitive advantage and ultimately, sustainable shareholder value through business performance. The literature review therefore takes a position on internal branding and brand alignment, with reference to meeting its external brand promise to market.

For purposes of clarity, brand refers to the actual resource in the form of a tangible product or an intangible reputation in the case of a corporate brand, whereas branding refers to the process or act of building or creating a brand (Keller, 2008:13).

2.2.1 The external focus of brand

There is a vast body of literature relating to research that has been conducted in the field of branding (Aaker, 2002; Ambler, 2003; Kapferer, 2008; Keller, 2008). Given that the external focus of brand is not the primary intention of this study, consideration of the topic is furnished in an overview of several definitions by leading academics and marketing practitioners covering different dimensions of the topic.

Based on the foundation of the 4 P model of marketing (Kotler, 2001), the promotion silo is largely the module that drives the summation of all marketing communication and brand activity. It fundamentally has an external focus and is further pinpointed by Kotler (2001:17) in his definition that it is 'a seller's promise to deliver a specific set of features, benefits and services to the buyer'. This promotion's categorisation of brand emphasises its external orientation, but does not address the role of brand internally to the organisation.

Keller (2008:3) offers that a brand is a name, term, sign, symbol or design, or a combination thereof, intended to identify the goods and services of one seller or group of sellers and to differentiate them from those of the competition. This definition straddles both the rational and tangible, as well as the symbolic, emotional and intangible differences of the product or service. It is fundamentally anchored in the differentiation approach to competitive advantage.

Aaker (2002:7) underpins the importance of brand and business by defining brand equity as the set of assets and liabilities linked to a brand, that is, its name and symbol that adds or detracts from the value provided by a product or service to an organisation and/or to the firm's customers. He further posits that the key asset contributors to building brand equity comprise brand awareness, brand loyalty, perceived quality and brand associations. Several authors, including McDonald and Mouncey (2009) and Salinas (2011), build on the importance of brand metrics and measurement in quantifying the role of brand while the considerable work of Ambler (2003:54) explores the concept of brand equity and brand valuation in some depth, suggesting that it quantifies the state of the marketing asset. Based on this, the net change in the valuation from the beginning to the end of the financial period is employed to adjust the short term results. This is an area of branding that is covered later in this chapter and brings into focus the potential validation of brand and competitive advantage, through the financial quantification of its economic value.

In a shift towards the more emotive aspects of branding, Gobe (2001:8) places all the emphasis on this aspect of branding, defining it as follows: 'Branding is not only about ubiquity, visibility, and functions; it is about bonding emotionally with people in their daily life. Only when a product or a service kindles an emotional dialogue with the consumer, can this product or service qualify to be a brand'. This definition carries a strong relationship focus to the brand building process and highlights emotional connections across all target market segments, with particular emphasis on driving beyond awareness and creating true customer advocacy.

A succinct definition is offered by Knapp (2000:7) who suggests that branding is defined as 'the internalised sum of all impressions received by customers and consumers resulting in a distinctive position in their "mind's eye" based on perceived emotional and functional benefits'. In building on this definition however, he further suggests that brands are often inconsistently defined and are not fully recognised for the strategic value that they add to organisations; a topic that will be returned to later in this chapter.

Ind (2007:20) adopts an interesting view that suggests that brand forms an explicit expression from a combination of the corporate message and experience, creating a certain expectation of performance and delivery in the mind of its recipient – this, he suggests, constitutes the promise of that brand to the market; this concept is returned to later in this chapter when exploring the connection with the internal brand.

Notwithstanding the fact that the above is only a brief overview of several of the key definitions relating to the field of branding, it is highly evident that the primary focus of the subject falls on the external view of brand and how it connects with consumers and other external stakeholders of the organisation. This limitation is addressed in the ensuing section; and in many respects, is an issue that underpins this entire thesis.

2.2.2 The limitations of an externally focused view

The fundamental limitation of the external focus of brand building relates to the distinct lack of effort and understanding of the brand internally, particularly in the context of the service organisation whose employees are expected to deliver against the external expectations and perceptions created in the market.

In the work carried out by Gobe (2001:68), much emphasis is placed on moving beyond the identity and visual aspect of brand building towards a strong emotional connection; again the emphasis is placed on achieving this with the external market or customer with no consideration given to the people inside the organisation who are expected to make that connection and deliver sustainably on that promise. Aaker and Joachimsthaler (2000:87) argue the point that many companies make grandiose brand promises to the market that they are unable to keep, relying heavily on advertising and brand promotion to build equity through prioritising the external market and largely ignoring the internal aspect. They recognise this shortcoming and suggest that a higher prioritisation needs to be placed on the internal communication efforts in the organisation ahead of taking the brand externally.

Mitchell (2002:100) suggests that this external orientation at the expense of the internal message is confusing to employees and threatens internal perceptions of the organisation's integrity. He posits that employees need to hear the same messages that are extended externally. Gapp and Merrilees (2006:161) argue that internal branding should be viewed as a management strategy and is an emerging sector of brand management, which is receiving an increasing level of attention given its role as a method of communicating a common message to the organisation's employees.

Keller (2008:156) confirms that much of the branding literature has taken an external perspective, focusing on strategies and tactics that firms should adopt in order to manage and build brand equity with customers. He further reinforces this view, suggesting that the positioning of a brand and the essence of its meaning with consumers lies at the heart of marketing activity. He does however suggest that the internal brand is equally important and that the brand positioning is explained and communicated internally; recognising that there is a growing interest and need for further research in this critically important area of branding, a need that this thesis addresses.

Internal marketing as the repository in which internal branding resides and has traditionally been viewed is therefore considered next. It is a discipline of marketing that is geared toward the internal audience of brand, essentially the management and staff within the organisation.

2.3 Internal marketing

This section covers both the concept of internal marketing and the deficiencies or criticisms which this presents to the internal branding discourse.

2.3.1 Internal marketing as a concept

In the evolution of internal marketing as a concept, the shift has taken place from defining it as the availability of jobs as products that satisfy the internal market of employees; into the crucial role of communicating organisational values and offering employees a clear vision that is worth pursuing (Ahmed and Rafiq, 2002; Sartain, 2005). Sartain and Schumann (2006; 2009) have demonstrated that the internal focus of marketing and branding can transform the organisation and drive gains in employee understanding of corporate values, employee commitment, customer satisfaction and loyalty.

The concept of internal marketing or internal communication is not new and has been the function of research for some 35 years since its initial introduction. The literature in this area is vast and it is well documented that internal communication is a fundamental component of management and organisational behaviour (Wieseke, *et al*., 2009; Ahmed and Rafiq, 2002). Varey (1996:50) offers the view that corporate communications should form an integral part of the internal marketing function, but has yet to develop a clear conceptual framework that integrates effective internal and external communication. Wieseke, *et al.* (2009:124) support this view and posit that internal marketing research has concentrated on three core areas:

- That employees are well-attuned to the mission, goals, strategies and systems of the firm.
- That internal marketing builds on the formation of corporate identity or collective mind.
- That internal marketing must go beyond short-term marketing training programmes and evolve into a comprehensive management philosophy.

It is the latter point that Wieseke, *et al.* (2009:125) suggest that warrants further research in using organisational identity to drive internal marketing and communication efforts to build on the perception, value and emotional significance of belongingness with the organisation, an idea which connects internal marketing and brand. This view also builds on that of Ravasi and Schultz (2006:437), who draw a strong connection between organisational identity and the development of culture within the firm.

Berry and Parasuraman (1991:25) posit that internal marketing is essential to the marketing success of services and that it attracts, develops, motivates and retains qualified employees capable of excellent service delivery demands. This perspective sees the internal market as that of a customer similar to the external market and also intersects with the construct of internal marketing as a component of human resources; highlighting the role of employee retention, satisfaction and performance. Berry and Parasuraman (1991:171) highlight the benefits that firms who practice internal marketing will derive. They will:

- Compete aggressively for talent
- Offer a vision that brings purpose and meaning to the workplace
- Equip people with the skills and knowledge to perform their roles excellently

- Bring people together to benefit from the fruits of team play
- Leverage the freedom factor
- Nurture achievement through measurement and rewards
- Base job design decisions on research.

Ahmed and Rafiq (1995:32; 2002:227) offer a meta-model of internal marketing in which they blend the concept of service minded employees delivering better service quality and competitive advantage in the marketplace with the notion of employee discretion and autonomy at the customer interface, suggesting that that this leads to more motivated and customer conscious employees. This model links job satisfaction with service quality and customer satisfaction. In turn it ties customer satisfaction to customer loyalty and profitability, proposing that internal marketing can develop competitive advantage. The model in itself is complex as it combines Berry's (1991) model of internal marketing, with Gronroos's (1997) model of internal marketing, suggesting that they are complimentary rather than competing models. Although the model is more complex, it provides a more complete view, according to Ahmed and Rafiq (2002:229). It is held as a possible framework for further internal marketing research.

Varey (1996:44) suggests that internal marketing can play a greater role within the organisation and that marketers can play the role of change agent by influencing and motivating staff to change the internal process required for the effective implementation of marketing plans collaboratively. Varey (1996:47) supports the view that 'internal marketing involves a planned effort to overcome organisational resistance to change and align, motivate and integrate employees towards the effective implementation of corporate and functional strategies.'

Lovelock (1998:5) alludes to the evolution of internal marketing as a dimension of services marketing and the impact on both the increased sophistication of marketing in the services industry, as well as the impact on the management practices of service driven manufacturing firms. He also suggests that service marketers and internal marketers have benefited greatly from learning derived from collaboration with service operations and human resource management, positing an integrated and collaborative approach to building relationships with the internal market.

Wilson and Gilligan (2005:709) and Lings and Greenley (2009:41) refer to the rise of internal marketing as an area of strategic marketing management and suggest that it follows that internal marketing should precede external marketing. They emphasise this in the service context, illustrating that it is a relatively easy idea for an organisation to commit itself to high levels of service, but it is unlikely to achieve this unless staff understand the real importance thereof and are trained and equipped to deliver it. Lings and Greenley (2009:42) specifically build on the notion that it is essential to have motivated employees if customers are to be satisfied and that there is a direct link between internal and external market orientation, the combined effects of which impact upon performance; and ultimately competitive advantage to the firm.

Berthon, *et al.* (2005:151) bring an advertising perspective to internal marketing, introducing the notion of the 'internal customer' and suggesting that the organisation's personnel are the first market of any firm. They define internal marketing as 'the task of successfully hiring, training and motivating employees to serve the customer well'. This definition carries the internal focus of marketing and the intersection with human resources, when considered in an employer branding context and hints at an overlap with the role of internal marketing in the organisation.

Varey (1996:46) further suggests that several writers have anticipated a convergence of the human resources function, organisational development, marketing and quality management in describing internal marketing as an integrator of business functions within the organisation. In addition, he suggests the alignment of parts of the organisation with a common purpose as constituting an issue of organisational culture.

Foreman and Money (1995:759) maintain that many proponents align with the emphasis and relevance of internal marketing to service firms in particular and the important link between delivering satisfaction to external customers in support of the overall marketing strategy. They do however also highlight certain limitations of this approach. The ensuing section addresses internal marketing deficiencies.

Ballantyne (1997:343) demonstrates a strong connection between internal marketing and improved external market performance, based on a longitudinal study in the financial services sector and concludes that his study has both academic and managerial implications in pursuing an area of business that is of growing importance, with internal marketing serving as a catalyst for change and strategic realignment of an organisation. Lings and Greenley (2009:41) underpin this finding in a research study in the retail sector in which they provide quantitative evidence of the role of internal market orientation in developing marketing strategies linked to external customer satisfaction and ultimately financial performance of the firm. Lings and Greenley (2009:41) also suggest that the role of internal marketing in developing organisational competencies is identified as a key area for continued research.

2.3.2 Criticisms of internal marketing

Part of the internal marketing challenge is the designation of functional responsibility. It is evident that this is unclear, certainly in the theoretical analysis and probably even more so in practice. Cahill (1995:43) argues that the internal marketing concept has placed us in a box and cites an early definition of Berry and Parasuraman (1991:151) to make the point:

> *Internal marketing is attracting, developing, motivating and retaining qualified employees through job-products that satisfy their needs. Internal marketing is the philosophy of treating employees as customers ...indeed, wooing employees... and is the strategy of shaping job-products to fit human needs.*

This definition is quite specific but reads like an extract from a human resource management text rather than a marketing one. Internal marketing almost appears to draw a boundary around the human resource function, keeping the marketing function out. This contradicts a brand-led approach which could potentially purport this as a marketing function. It is the author's view that a cohesive and integrated solution should be found, drawing interdepartmental synergies together into a holistic approach, centred on brand as the common denominator for competitive advantage. Naturally, one will need to take into account the view of non-marketers who may feel threatened by this and view it as an internally focused exercise at the cost of an external client or market focus.

Foreman and Money (1995:760) offer that for the concept of internal marketing to have value for marketers, the principle needs to transcend the borders of the services industry and find applicability in sectors such as manufacturing, suggesting that there is evidence to support this trend. This thesis examines case organisation across both services and manufacturing sectors. They suggest a second limitation to the traditional approach to internal marketing, highlighting that it is often the focus of a single or selected department within an organisation and is seldom adopted by an organisation in totality. This issue is addressed at length throughout this thesis and a holistic approach is considered in greater detail later in this chapter.

Varey (1996:44) argues for marketing strategy having more impact on corporate strategy, as marketing orientation and marketing capability is developed throughout the organisation. He further purports that marketing has too narrow a definition within the organisation and that strategic internal marketing can effect incremental culture change towards market responsiveness. He concludes his study with the suggestion that empirical research is needed to reveal how internal marketing can operate as a mechanism for change management and functional integration of disciplines such as marketing, human resources, and quality management. This limitation is another key feature of the chosen research direction of this thesis.

Mahnert and Torres (2007:54) suggest that while the concept of internal marketing has been discussed in the literature of marketing and related disciplines for more than twenty-five years, much of the literature on internal branding to date has been disparate and lacking in focus and definition. As a result of their research they posit that internal branding may be identified as a specific tool and placed in the wider context of internal marketing. The author’s view differs considerably from this approach in that an argument is built in this research study to move toward a model of brand alignment in which the idea of brand is elevated to a strategic level within the organisation and is not confined to a function of marketing in the business.

In his study, Leberecht (2004:5) states that the application of the principles of consumer advertising to internal communication can help leaders guide employees to a better understanding and delivery of the brand vision. In the author's opinion, this is limited. Internal branding or brand behaviour should be adopted as a strategic concept and one that can contribute to and enhance competitive advantage. In keeping with large parts of contemporary management literature suggesting a resource-based view of the organisation, in which they achieve competitive advantage through the unique combination of resources, including people, brand needs to embrace a new approach. Leberecht (2004:5) suggests that employees are now viewed as a critically important constituent of the brand, and as such need to develop a shared understanding of brand values in order to manifest brand-supporting behaviour.

Totsi and Stotz (2001:29) question the effectiveness of a series of communication events within the organisation and suggest that promotion of the brand internally through one-way campaigns and activities is insufficient. They argue that there are only a few academic suggestions on effective internal brand implementation and propose coordinated planning and action across all levels of the organisation in order to make this work. The focus on this internal branding approach is addressed in the next section.

2.4 Internal branding

Given some of the limitations of internal marketing referred to above, the emphasis has shifted to the focus on internal branding in an effort to seek deeper engagement and form stronger emotional ties within the organisation (Schmidt and Ludlow, 2002:23). Foster, *et al.* (2010:401) support this thinking, suggesting that effective brand orientation in the corporate organisation necessitates a balance between the external and internal orientation within the firm. Consideration is thus given in this section to emergent themes and constructs through an examination of the existing body of knowledge and an overview of the current literature that draws attention to the emergent idea of internal branding in the organisation.

2.4.1 Internal marketing versus internal branding

Joshi (2007:30) observes that there is an interchangeable use of the term internal marketing and internal branding by many leading practitioners and therefore he endeavours to probe the practical distinction by highlighting key similarities or areas of overlap and areas in which there are differences. He highlights areas of internal marketing and internal branding overlap as follows:

- Both recognise employees as a brand and are both therefore focussed on engaging employees.
- Both are part of the overall organisational and marketing strategy to strengthen competitive advantage and ensure customer satisfaction.
- Both need strong and committed leadership from senior management.

He offers the differences between internal marketing and internal branding as follows:

- Internal marketing encompasses all the activities that reinforce the relationship between the employee and customer satisfaction, whereas internal branding embraces the brand as part of the organisation’s operations.

- Internal marketing tends to respond to problems with employee or customer satisfaction or attrition, whereas internal branding tends to apply at the time of brand rejuvenation or new brand launching.
- Internal marketing tends to focus on organisational culture and values whereas internal branding tends to focus on brand values that are aligned and consistent with organisational values.

The differences appear subtle and are reinforced by Kapferer (2008:9) who suggests that brand conjures up some of the greatest points of disagreement amongst experts and practitioners; however, the author is of the opinion that the literature review and discussion will demonstrate a more holistic approach to organisational capability and competitive advantage through the construct of brand alignment as a holistic approach to corporate strategy and implementation.

2.4.2 Internal branding as a concept

Keller (2008:13) discusses the highly pervasive nature of branding in the 21st century and highlights the extent to which branding has influenced the world at large. He depicts the spectrum of influence with examples of branding at work from physical goods, services, retailers and distributors, online products and services, organisations, individual people through to sports, arts and entertainment, geographic locations such as individual country branding, and down to the fundamentals of ideas and causes such as the World Wildlife Fund. He continues by highlighting that branding has become a complex issue and that it requires sophisticated and rigorous management systems to address the strategic function that it serves and that it delivers appropriate results to the organisation, product or service that it represents. To this end, Keller (2008:59) has conducted work in the area of brand equity, helping brands to track and measure consumer perception and increasingly for organisations to financially account the value of their brands, although little account of the internal brand is made in the financial determination of the value. Earlier, Keller (1999:43) suggests that the positioning of the brand and the essence of its meaning lies at the heart of all marketing activity and ultimately drives the economic value for shareholders. He adds, however, that such positioning efforts must also pervasively influence organisational adoption. He posits that this can be achieved through aligned brand mantras that communicate, simplify and inspire people in the firm, thus highlighting the need to build brand on the inside of the organisation too; ensuring that they enable the brand experience and contribute to the development of brand equity in the organisation.

Aaker and Joachimsthaler (2000:65) updated the model of brand leadership at the turn of the century, recognising the need to depict the emerging paradigm of strategic brand leadership as the replacement of the classic, tactically oriented brand management system pioneered in the previous century. In their work, they focus on the principles of brand identity creation and positioning, brand relationships and architecture systems, and the advent of channel development that will move brands beyond the isolationist activity of advertising in order to break through the communication clutter. This, they suggest, signals a new era and approach to looking at branding more holistically in organisations, recognising the increasing importance of the internal brand. Aaker (2004:11) also addresses the evolution of the corporate brand as an increasingly important property that should receive appropriate branding attention in order to address the concepts of attracting talent, defining its heritage, values and priorities, addressing the local versus global debate and positioning itself as a good corporate citizen through community outreach initiatives or cause-related issues such as the environment.

Kapferer (2008:137) discusses the principles of the new rules of brand management, suggesting that branding is an end in itself, often receiving too much attention and seen as the prerogative of the marketing and communications function. He purports that this undervalues the role played by other functions in the organisation in ensuring a successful branding policy. He claims that branding really is at the terminal phase of a process combining the firm’s resources and all of its functions, focusing them on the strategic intent of building differentiation. He suggests that the organisation that mobilises its internal resources of added value can set itself apart from its competitors. His assumption is that brand is strategic and essentially encapsulates competitive advantage.

Sherrington (2003:133) talks of demand-led growth and has conducted some pioneering work on segmentation and innovation in the sphere of an intuitive and practical approach to building brands, acknowledging that much of his thinking applies externally to the customer and that the business and marketing fraternity would do well to pay as much time, investment and energy to the internal organisational audience. He suggests that there have been significant strides forward in the development of internal branding to the extent that many organisations now employ functional experts within. He purports however, that internal brand building is not nearly as effective or impactful as the external equivalent and attributes this to factors such as the inequality of spend, inadequate brand discipline and typical internal organisational complexities. He suggests a rigorous approach to internal brand building built on the same principles as those of the external function, including internal market insight, segmentation of audience, use of change agents or brand ‘ambassadors’ and effective use of appropriate media and their respective channels.

Sartain and Schuman (2006:5) bring a strong focus to internal branding and propose that employees have a key role to play in brand delivery and this makes the building and nurturing of the employer brand as critical to the organisation's success as promoting the customer brand. In doing so they also highlight key aspects that serve to orientate the importance of brand as a construct on the inside of the business:

- Brands have become realities of business and every business essentially has one.
- Brands simplify the value, opportunity and results that the organisation and its customers expect.
- Brands are ultimately commercial and have considerable value, capable of standing the test of time.
- Brands influence customer choices at each touch point and they flow from the intersection of culture and people.
- Brands define the customer experience and connect them through functional, emotional and inspirational dimensions.
- Emotional connection is at the heart of a consumer's relationship with a brand while brand loyalty is the holy grail of any consumer relationship.
- Brand has qualities that bind and serves as a language that simplifies the exchange between the individual, the customer and the business.
- A business also has a brand as a place to work and brand can therefore simplify how business addresses people issues and builds organisational capability.

Vallaster and de Chernatony (2005:181) posit that internal brand building as a process to align the behaviour of the staff with brand values is growing in importance and recognition; in particular, in service industries where there is an ongoing challenge to overcome the variability of service interaction and delivery. They highlight the distinction between service quality, which is more about functional issues and suggest that the branding of services is more about internal consistency, placing greater emphasis on managing the total brand experience of services, and is more about social processes. Their findings bring into focus the significant role of staff, the impact of culture in sharing meaning, and the essential role of leadership in the process.

In a subsequent report focusing on the leadership role specifically, Vallaster and de Chernatony (2006:761) advocate that the heightened attention that internal brand building is receiving is to reduce the gap between the desired corporate brand identity and that perceived by the firm’s stakeholders. Vallaster and de Chernatony (2006:778) also highlight that internal branding is a strategic matter that needs to be developed from and supported by top management, enabling leaders to design brand-supporting corporate structures that enable brand behaviours. Sartain and Schumann (2006:21) question whether an effective brand identity can be built by business if its employees do not buy into it. They suggest that the key role that employees play in brand delivery makes nurturing the employer brand as critical to the organisation’s success as promoting the customer brand. Lings and Greenley (2009:41) support this view in their study on the impact of internal and external market orientations on firm performance in the retail sector, suggesting that there is benefit to be derived by investing in internal resources that drive market orientation, which ultimately impacts customer satisfaction.

Melewar, Karaosmanoglu and Paterson (2005:59) probe the issue of the organisational or corporate brand through a research project that examines the concept, components and contribution of corporate identity and have identified the interrelationship between corporate communication, visual identity, corporate culture, corporate behaviour, corporate structure and corporate strategy; suggesting the need for further research and investigation. Ind and Bjerke (2007:2) also postulate this notion in their view of a participatory approach to the brand building process and the integration of the external brand building activities of the organisation with those within the business.

With regards to the human resources aspect of the branding discipline, the concept of the employer brand is also receiving increased levels of attention, supporting the realisation that brand has a role to play on the inside of the organisation. Backhaus and Tikoo (2004:502) suggest that employer branding represents an organisation's efforts to promote, both within and outside the firm, a clear view of what makes it different and desirable as an employer. Their study embraces the combination of a resource-based view with brand equity theory. Aurand, Gorchels and Bishop (2005:167) examine human resource management's role in internal branding and in the process recognise that their policies typically focus on the internal workings of a firm rather than the interconnectedness of these activities with external constituencies. They conclude that an increased integration of marketing and human resources will result in employees being equipped with a deeper understanding of the brand and their role in enhancing the brand promise and reducing confusion arising from misaligned messages with regards to brand positioning. This points to a need for increased inter-departmental levels of collaboration and, specifically, the coming together of the marketing and human resource functions of an organisation when considering a new approach to a current problem. Consequently, Sartain and Schumann (2009:13) make the updated connection of the role of brand as a nurturer of talent, in the integration of brand, and the employee value proposition defined within the human resources context. Their approach to employer branding draws a strong connection between the role of brand and the impact that it exerts on organisational culture. This topic is discussed again later in this chapter.

Berthon, Ewing and Lian Hah (2005:151) further probe the aspect of employer branding in a survey that specifically assessed the dimensions of attractiveness in the employer brand, suggesting that brand will be as critical in attracting employees as it is customers. Younger, Smallwood and Ulrich (2006:23) examine the organisation's brand as a talent developer, identifying nine qualities that differentiate such organisations and enable them to develop competitive advantage in attracting and retaining talented employees. Wheeler, *et al.* (2006:97) make the connection between brand and corporate identity as an employee attraction and retention mechanism, suggesting that managers and organisations have yet to understand how this can be utilised to direct employee behaviour. In recognition of this growing connection between the brand and the employee, King and Grace (2010:938) offer what they position as the first known empirically-tested model of employee based brand equity, suggesting a contextual or organisational cultural element in the determination of brand equity. They further that there is a need to reflect the perceptions of employees who are currently under represented in the models developed within the existing internal engagement literature.

Devasagayam, *et al.* (2010:210) propose building brand community membership within organisations as a viable internal branding alternative. They draw interesting inferences from strong external brand communities such as Nike and Harley Davidson, for example, where customers are enmeshed in a network of relationships with fellow customers who are centred on the brand. They posit that internal brand communities could exhibit similar characteristics based on the nature and frequency of participation that could develop emotional buy-in within the organisation and could ultimately help companies increase the proportion of positive employees or brand champions, linking to the idea initially developed by Thomson (2002:11).

In a very recent study, Thorbjornsen and Supphellen (2011:68) address the determinants of core value behaviours in service brands, suggesting that this important area is understudied within the marketing of services. They posit that employees are both co-creators of the brand and key actors in delivering the brand's content and promise — this view is extrapolated in this thesis under the notion of the very issue of brand alignment within the organisation. They argue that while past research has suggested that strong organisational identity and corporate culture have positively influenced firm success, it is essential for employee behaviour to be coherent and aligned with the external positioning of the brand if it is to be perceived by customers as differentiated, attractive and consistent. They further that this defines core value behaviour in an organisation and suggest that this needs to evolve in line with the external brand positioning of the organisation, but caution against the downside risk of empty value statements creating cynical and dispirited employees, consequently alienating customers and undermining managerial credibility. They define core value behaviour as the extent to which employee behaviour is in accordance with the brand's strategically defined core values and posit that empirical research to answer this important question is practically non-existent, in both organisational and marketing journals.

It is this need for a holistic and strategic approach to the alignment and integration of the internal and external brand for sustainable competitive advantage that defines the direction of this thesis.

2.4.3 Criticisms of internal branding

Notwithstanding the significant developments in the branding arena in the last two decades there is still a large body of thought that defines its role as a component of marketing, whose primary function it is to connect with consumers and promote the products and services of an organisation. Within that context however, thought leaders in the industry and academics have sought to continue to develop the discipline to address a rapidly changing consumer society and an increasingly global world. While classic brand management thinking continues to adapt and develop, much of the branding and marketing literature from leading authors such as Kotler (2001), Aaker (1996, 2000, 2004), Kapferer (2008) and Keller (2008) has a predominantly external focus. As critical as the primary external focus of brand is to economic value creation for organisations, it is the author's opinion, based on an extensive literature review and assessment, that the internal branding efforts of organisations are being neglected and that an opportunity exists for this to be addressed, through consideration of an alternative approach.

Pringle and Gordon (2001:76) motivate a different approach in the brand building process, suggesting that organisational philosophy and self-confidence will build capacity for improved service delivery. Whilst the notion appears right they do not offer a framework for theoretical development or practical implementation. Schmidt and Ludlow (2002:18) draw the distinct conclusion that there is a case for a new approach to branding and the development of an integrated and holistic brand solution that breaks free from biased notions of traditional brand development thinking in business. They highlight several key issues that motivate their view:

- The world is moving towards a new knowledge-driven era in which brand becomes an increasingly greater force on corporate or business success than ever before.
- Competition continues to intensify.
- Consolidation, mergers and acquisitions engender a greater need with regards to integrating internal cultures and driving external identification.
- Product and service parity prevails, with fewer opportunities for differentiation.
- Globalisation perpetuates the cultural and logistical dimensions, adding layers of complexity.
- Customers and the broader community hold increasingly diverse views and expectations of organisations and their brands.
- Their research provides compelling evidence that corporate success depends on the alignment of all brand experiences with the broader organisational vision.

Sartain and Schumann (2006:21), as a result of their work and research on leading service and online organisations including Southwest Airlines, Starbucks and Yahoo, argue that brand can be delivered only externally to the organisation if it is brought to life and understood on the inside of the organisation. They suggest that branding on the inside constitutes more than a human resources or internal marketing activity and they articulate the concept of the employer brand within the firm. It is this very concept that initiates the idea of brand alignment and the focus of this thesis; this issue is revisited later in this chapter.

In their study on the use of internal branding as a management strategy in the healthcare industry, Gapp and Merrilees (2006:165) highlight some common pitfalls in the process:

- rooting the branding programme solely in internal communication efforts;
- failure to back internal branding efforts with the resources, support and planning commonly afforded external campaigns;
- being seduced by new advertising campaigns, shiny new names or logos;
- confining brand-building efforts to the exclusive province of marketing and communication;
- failure to integrate brand-building programmes into other internal efforts; and
- over-dependence on technology in building better brand understanding.

The above limitations are also supported by Tosti and Stotz (2001:30) who concur with this view by suggesting that traditional branding initiatives have focused on the external activity at the expense of internal brand building efforts. They purport the need to align employees with the promise that the brand makes, with a broadly defined 4 step process:

- Clarify the brand proposition or promise of value to customers.
- Establish the brand character that will best deliver that value.
- Translate brand character into values and behavioural practices for both firm leaders and the firm as a whole.
- Redress the current practice of human capital systems to align their compatibility with the brand promise.

In the paper on brand mantras, Keller (1999:43) acknowledges that little research has been conducted with regards to taking the internal perspective and considering what steps and methodology should be adopted by employees and marketing partners in impacting and helping – or hurting — their brand equity. In the conclusion to their study, Vallaster and de Chernatony (2005:197) offer propositions for further research and suggest that by focusing on behavioural leadership issues and investigating the process aspects of internal brand building, further research would address the holistic strategic service brand building process rather than narrowly looking at only the functional characteristics of service quality. Punjaisri and Wilson (2007:59) also share this view, suggesting that in spite of the growing interest in internal branding, there has been limited research conducted into the process to drive brand-supporting behaviour and to explore its capacity for performance enhancement for the firm. This gap in the research poses an opportunity to investigate the construct of internal branding. This thesis essentially sets out to examine some of the limitations exposed in this literature review and to consider an alternate approach to this challenging phenomenon.

Baumgarth and Schmidt (2010:1257) posit that very little empirical research has been carried out with respect to internal branding in the business to business environment and they underline the important part played in the building of internal brand equity by a brand oriented corporate culture. In terms of managerial implications, they confirm that successful internal brand building relies heavily on a brand oriented culture and is the shared responsibility of all employees. They also highlight the need for integration and close collaboration between brand management and human resources, suggesting further research in this area to expand the framework.

The detailed literature review has yielded a plethora of reports, views and journal articles that address the advent of internal branding (Vallaster, 2004; Vallaster & de Chernatony, 2005; Punjaisri & Wilson, 2007; King & Grace, 2010; and Kimpakorn & Tocquer, 2010) and suggests the move to a new model of thinking, integrating functional units within the business and delivering, appropriately, externally to the organisation. These perspectives are discussed and considered during Section 2.5 below and again in the conclusions drawn in Chapter 9. Baumgarth and Schmidt (2010:1251) posit that little research relating to internal branding in a business to business context has been explicitly published and suggest that further research is required to address this gap. The key limitation to internal branding, in the view of the author, is that it is still viewed in a marketing sense and is not yet adopted at a strategic business level, an issue that this thesis seeks to address. The fragmentation of thinking around internal marketing and internal branding lies in tandem with this challenge. It is this construct of alignment — or lack thereof — that serves as the primary focus of this thesis. An evolved view of internal brand building is focused on separately in the following section, defined within the brand alignment approach.

2.5 Brand alignment

Following the above literature review of the links between external branding, internal marketing and internal branding, the focus falls on the investigation and consideration of a new framework and possible approach that attempts to address this gap in the practice of theory and management. The concept of synchronising the efforts between the internal and external brand of the organisation is referred to by the author as brand alignment, suggesting an integrated and congruent approach between both the internal and the external brand, and therefore referred to as brand alignment.

2.5.1 A new approach

Mitchell (2002:101) proposes that the brand has a greater role to play inside the business in building competitive advantage and suggests that the weaving of brand messages into employees' everyday experiences will ensure that on-brand behaviour becomes instinctive and aligned with the external expression of the brand. In a study conducted against an Interbrand Top 100 ranking, Hankinson and Hankinson (1999:151) established a correlation between those within the top 100 and what they identified as a stronger corporate culture, aligned with issues such as values, beliefs and behaviour, when paralleled with those that were classified as 'outsider' brands, that is, fell outside of the top 100. They conclude that brand influences internal culture and drives behaviours that support organisational performance.

The work of Schmidt and Ludlow (2002) expands on the above view and suggests that brand took a quantum leap in the 1990s, transcending the confines of specific consumer goods and product branding into the territory of the corporate brand, while in the process having a catalytic effect on organisations and penetrating the realms of corporate strategy. Through extensive practical experience and research fieldwork spanning a 7-year period, Schmidt and Ludlow (2002:14) conducted case research and in-depth survey work, highlighting a range of issues in global business that suggests a new approach to branding as a holistic corporate strategy tool and points toward the requirement for a contemporary and relevant model. While retaining many of the classical brand management elements, they sought to integrate the dimensions of culture and organisational behaviour as brand performance indicators and components of a brand management system. They also propose synergistic use of the dimensions of culture, behaviour, products and services, markets and customers, design and communication; in order to create differentiation and build competitive advantage. This has embodied a stronger sense of the people component of business and brand and the inclusion of some of the typical aspects of human resources. Notwithstanding this development, their model still retains many of the externally focused dimensions and holds business performance at the core of its integration.

Ind and Bjurke (2007:17) have released what they have defined as a participatory approach to marketing, adopting an outside-in and an inside-out strategy, suggesting the link between customers and colleagues. In the process, they synchronise the external, market-led initiatives of branding with the internal, people-led components of human resource practice and examine the connections between leadership, culture, organisational development, human resource drivers and brand building. The significant groundswell of thinking in the need to address brand building from the inside of the organisation in an integrated and holistic manner, is articulated by them in the development of a participatory marketing model in which the employee orientated, inside – out view meets the customer orientated outside – in perspective. They posit that this interfunctional overlap, supported by the philosophical view of participatory market orientation, will drive organisation-wide actions that will contribute to brand equity for the business.

The brand lexicon has undoubtedly evolved somewhat dramatically in the last 15 to 20 years. The expanded literature review contained in this chapter only touches on some of the key emergent concepts reported on in recent years, bringing the literature review as up to date as possible, containing articles as current as 2011. Notwithstanding the comprehensiveness of views, there remains a gap in the current brand theory that suggests a new approach to the manner in which internal branding initiatives are aligned with external efforts, in a format that enables brand to embrace business holistically.

2.5.2 An emerging model

The advent of an introspective view in business is not revolutionary in itself. Large parts of strategic management literature suggest a resource-based view of the firm, purporting that organisations derive competitive advantage through their unique combination of resources, with people being a critical one (Porter, 1985:122). Consideration of the value chain model developed by Porter (1985) has proven interesting given its contribution towards the development of differentiation and competitive advantage and how this framework influences branding methodology from the perspective of the role of people inside the organisation and the ultimate enhancement of corporate reputation as a strategic component.

Tilley (1999:184) probes this in an advancement of Porter's (1985) value chain, criticising the fact that brand is not mentioned and marketing and sales is housed towards the end of a longer process of value creation. She suggests that the model for brand leadership should be contained in the core of the value chain, becoming one of the structures supporting and informing the organisation in terms of both the series of operations and of the supporting activities. In a reordering of the value chain, she elevates branding to become one of the structures supporting and informing the organisation in terms of both the series of operations and of the supporting activities, and also posits a whole organisation approach to branding. Tilley (1999:186) argues that the basis for the prioritisation of brand in the value chain is that it provides a unique opportunity to humanise organisational change through storytelling that creates options to engage and mobilise teams to engineer the brand from within and to help the firm plan the interventions, resources and support necessary to derive superior performance.

Farquhar (2005:96) is more critical, suggesting that brand misalignment is a fast growing issue as companies move to quicker, more decentralised decision-making, with less marketing coordination across their divisions and business units. In his study, professionals also commented on the continued reduction in time, effort and resources available for brand building and the increasing pressures to broaden brand portfolios with ever more diverse products and services. Farquhar (2005) concludes that the current business literature on strategic and operational alignment between functions within the organisation does not readily address many of the specific issues relating to brand management and suggest that a new framework and approach is required. Farquhar (2005) uses the term alignment to infer increased levels of collaboration and integration across organisational boundaries and he offers five core elements as priorities for consideration:

- Leadership actions
- Organisational structure
- People practices
- Internal communication
- Performance measures and incentives.

Although he highlights these as priorities or theme areas for management consideration in overcoming misalignment in organisations, they remain anchored in a brand perspective and no alternative model is offered to transcend the principles from a brand to a strategic business imperative. In order to bridge this gap, the author considers brand alignment at a more strategic level, suggesting that the orientation transcend the pure function of marketing within the organisation and is embraced as a management and organisation-wide philosophy adopting the resource based view of competitive advantage. He also seeks to integrate this within an organisational architecture approach to strategy development and implementation in order to find practical implementation in support of theoretical advancement. Dobni, *et al.* (2001:400) posit a supportive frame of thought in drawing the intersection between people, marketing and strategy implementation as the basis for building competitive advantage. The focus now shifts to the role of branding and brand alignment within the resource based view of strategy.

2.5.3 The resource-based view and competitive advantage

Peteraf and Barney (2003:312) describe one of the defining features of resource-based theory as the fact that it provides a resource-level and firm-level explanation of sustained performance differences amongst firms. By this, they mean that it focuses on the resources and capabilities controlled by the firm, which underpin persistent performance differentials amongst firms. This is distinct from Porter's (1985) industry level analysis, which attributes performance outcomes more directly to external factors, rather than to firm-level factors. This is important in the context that it explains what phenomena resource-based theory can and cannot explain. Peteraf and Barney (2003:312) confirm that resource-based theory looks within the firm and down to the factor market conditions with which the organisation must contend in order to search for possible causes of sustainable competitive advantage. It is this principle that supports the author's examination of brand alignment as a possible means of competitive advantage for the firm and facilitates the investigation of an evolved model and approach. Peteraf and Barney (2003:313) posit that resource-based theory is at once a theory of competitive advantage and a theory of rents and builds on Barney's (2001:643) VRIO framework for assessing resources and capabilities; an approach that enables the firm to evaluate all resources and capabilities in order to determine competitive potential, assessing dimensions of value, rarity, imitability and organisational readiness. It also enables the firm to conceive and implement strategies that improve its efficiency and effectiveness. They suggest that competitive advantage has definition beyond superior financial performance, to include serving as an indicator of the firm's potential to better its rivals in terms of rents, profitability, market share and other outcomes. Their definition of competitive advantage highlights the notion of economic value up against the competitor offering and ties in well with the construct of brand equity as defined by Ambler (2003), Keller (2008), and Salinas (2011), in that the connection is made in a chain of logic from internal resources through to rents, with the question regarding the sustainability thereof, over time.

There is now wide acceptance of what strategist and practitioners call the resource based view (Hamel and Prahalad, 1994; Barney, 2001; and Grant, 2002), which proposes that defining the firm in terms of its assets and core capabilities offers a more relevant basis for strategy than a definition based upon customer needs that the organisation seeks to fulfil. This implies more than simply identifying new market opportunities; but links to the notion that special capabilities are necessary to compete and build more effective customer relationships than the competitor would do. Grant (2002:114) suggests a shift from an industry focus to a resource focus and highlights resource analysis as a concentration on the interface between strategy and the internal resources and capabilities of the firm, revealing the turbulence and volatility of the industry approach in a modern business environment. Grant (2002:119) offers three key elements in the resource-based approach to strategy:

- Selecting a strategy that exploits a firm's principal resources and capabilities, suggesting that success over the long term has been achieved by companies where there is a close linkage between strategies and their resources and capabilities compared to organisations that have strayed beyond their resource base, who have suffered loss of direction and deteriorating profitability.

- Ensuring that the firm's resources are fully employed and its profit potential is exploited to the limit.
- Actively building the firm's resource base so that it is not just about deploying assets, but is crucially concerned with filling current resource gaps and building the firm's future resource base.

In a comprehensive study of value creation architectures and competitive advantage in the European automotive industry, Dietl, *et al*. (2009:26) suggest that the term 'value creation architecture' describes the structure and relationships of all the value-adding activities carried out by individuals and companies to bring a particular product or service to market. Dietl, *et al.* (2009:29) conclude that there is not a single form of value creation architecture that dominates all other forms and that each have their respective advantages and disadvantages. In contrast to the highly industrialised nature of Dietl, *et al.'s* (2009) view, Andrews (2007:20) takes the position that corporate culture offers a unique opportunity for competitive advantage due to its potential to be rare, valuable and very difficult to replicate; suggesting that strategic implementation often takes place far removed from the domain of its conceptualisation, and for a strategy to be value-creating through sustainable competitive advantage, by definition, it must be very difficult to imitate or copy. Andrews' (2007) view does meet that of Dietl, *et al.* (2009) in that both agree that value-creating strategies should be approached in a manner customised to the firm to best suit its circumstances and pursuit of sustainable competitive advantage.

Dobni, *et al.* (2001:401) offer a view similar to that of Andrews (2007) above in that they highlight culture as a key capability in the derivation of competitive advantage and suggest that by managing culture, the firm is managing strategy, highlighting the connection between people and marketing as a vehicle for implementation. They suggest that superior performance will be defined through distinctive capabilities possessed by employees and that strategy implementation will foster a competitive position by specifically leveraging the distinctive skills and capabilities of employees and directing them as competencies toward the marketplace. King and Grace (2010:938) offer a current perspective that supports this notion, by suggesting that real competitive advantage in today's market is realised through an increased focus on operant resources such as skills and knowledge, which point clearly toward the human resource capability of the business. This last point frames the discussion which ensues, supporting the construct of brand as a strategic resource and the idea that brand alignment can constitute a distinctive capability within the organisation. The consideration of value creation architectures is revisited again in Section 2.5.5.

2.5.4 Brand as a strategic resource and distinctive capability

Doyle (2001:255) connects the resource-based view with branding in a clear manner by linking brands and the business value chain, suggesting a significant point of departure from the marketing-based idea of the firm that was popularised by Levitt (2004:138) in a review of his marketing myopia writings of the 1960s. Doyle (2001:257) posits that an attractive value proposition is not adequate and brands have to be integrated with the firm's other resources in order to build superior business processes if they are going to deliver a differential advantage and drive shareholder value. Aaker (2004:7) supports this idea in his view that branding enables an organisation to take to market a perception of having assets and capabilities with regard to its ability to deliver innovative products and value to customers.

Doyle (2001:258) suggests that the firms' core capabilities derive from the assets or resources that it possesses and that these are typically divided into tangible and intangible assets. Whereas tangible assets were traditionally seen as the organisation's most critical assets in the past, the dramatic revolution of the information age suggest that the opposite is now true — intangible assets have become of critical importance to the modern firm and brands now form part of the intangible asset base that drives the firm's core business processes. Doyle (2001:258) defines a number of core capabilities that underpin business processes in the organisation. He lists brand assets, human resources; and organisation and culture amongst other core capabilities such as tangible assets, technology and strategic assets; which drive core business processes such as product development, supply chain management and customer relationships, in pursuit of differential advantage and ultimately, value creation for shareholders. He suggests that these processes themselves are founded on the firm's core capabilities, which derive from the resources or assets it possesses. Doyle (2001:263) concludes that brand needs to be effectively integrated into the business value chain and be geared to value maximisation for shareholders and other stakeholders.

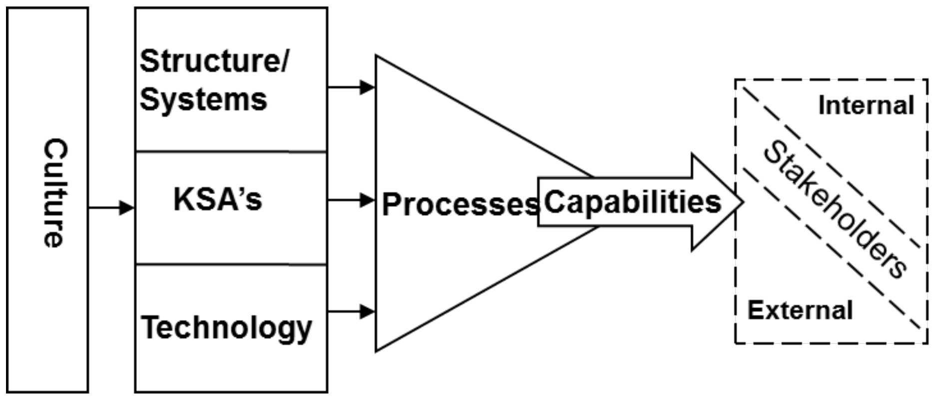
In the analysis of the resources available to the firm, Grant (2002:121) draws on the distinction between the tangible and intangible resources that exist as potential organisational capabilities in the firm. He classifies the tangible as financial resources and physical resources, and the intangible as human resources, technological resources and reputation. This orientates the fit and relevance of the brand alignment discourse which concerns itself with a number of dimensions on the intangible resources continuum. Firstly, the issue of reputation and brand lies central to the brand alignment construct and involves itself with the direct management thereof, especially the point above in which the connection between strategic position and intent stays connected with organisational resources and business reality. Secondly, the importance of human resources and the culture of the organisation also lie at the core of the brand alignment framework, which posits that the human resources in the organisation are core to the organisation's capabilities and ability to enhance or ruin the corporate reputation and brand of the firm. Brand alignment thus concerns itself fundamentally with enabling the organisation to deliver core capabilities against the strategic intent and desired market position or promise that the organisation takes to market.

Doyle (2001:260) concludes the linkage to resource-based theory by suggesting that brand management must be viewed as an integrated part of the total management process rather than a specialist marketing activity. He posits that brand management becomes a core capability of the firm only when it is effectively coordinated with the firm's other resources in order to enhance the core business processes. This idea of brand as a catalyst inside the organisation is currently being surfaced by other scholars. King and Grace (2010:939) draw attention to the need for greater levels of connectivity between the internal and external efforts of the firm, suggesting that brand can enhance the employee's skills and knowledge as operant resources which provide competitive advantage to the organisation as it delivers against its external brand promise. This view lies at the heart of this thesis, which posits that brand alignment as a construct can constitute a core capability of the organisation in building competitive advantage. Foster, *et al.* (2010:402) also make the link between internal branding as a capability in their assessment of the role it plays in driving employee behaviour. They posit that internal branding has the potential to build competitive advantage as a capability of the firm by closely aligning employees with organisational values, enabling better performance and customer satisfaction as a key output. Foster, *et al.* (2010:408) argue that value congruence can prove more valuable than the accentuation of specific skills in deriving improved performance, which meets with the view of Andrews (2007) and Dobni (2001) above, that behaviours impact culture and culture can impact competitive advantage. The findings of Foster, *et al.* (2010), King and Grace (2010) and Baumgarth and Schmidt (2010), all support the capability of brand to influence employees internally in the firm, in a manner that can improve behaviours and performance, aspiring to improved delivery of the external value proposition and results for the firm, deducing that a more brand focused orientation in the firm can drive competitive advantage and therefore serve as a core capability in the realisation of strategic intent. In a recent academic article, Barrett (2009:83) builds on his idea of culture transformation through vision and values alignment and ties competitive advantage to the concept of employee accountability, team cooperation, shared values, and a sense of purpose, and highlights the need for measurement across these dimensions. The author holds the view, through an extensive review of the literature, that brand and internal branding influence meaning, understanding and shared values, therefore impacting culture and ultimately competitive advantage. Barrett (2009:83) adds that strong cultures add value and sustain competitive advantage if they exhibit adaptive and learning qualities that enable organisations to build resilience and adaptability that equip the firm to withstand the turbulence of the current global business climate.

Foster, *et al.* (2010), King and Grace (2010) and Baumgarth and Schmidt (2010) posit similar perspectives on internal behaviour and culture, and tend to focus on measurement models of the determinants of internal brand equity. The author considers these frameworks in the context of a need to develop a model which enables this process and looks to confirm the role of brand and brand alignment as an organisational capability that mobilises resources within the firm, in the implementation of strategy and the quest for profitability and competitive advantage. In consideration of this opportunity to develop theory further, the construct of brand alignment is examined within the framework of resource-based theory, in which internal resources utilisation is optimised in order to drive long term economic value creation through competitive advantage, on a sustainable basis. In order to do this, the organisational architecture model is considered below as one of the few business architecture models that has capabilities as a focus area (Veasey, 2001; Venter, 2006), which supports the notion of brand alignment as an organisational capability.

2.5.5 Organisational architecture

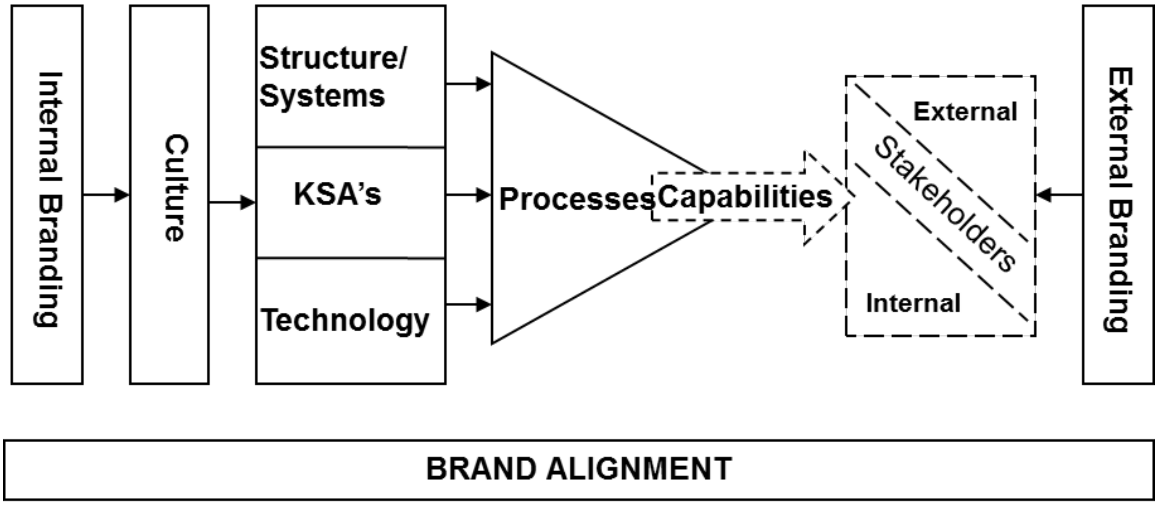
As mentioned above, the organisational architecture model proposed by Venter (2006:394) is one of the few business architecture models that has capabilities as a core focus area and is described in an abbreviated form as an integrated strategic response which draws together key dimensions of the organisation, such as organisational structure, leadership, organisational culture, policies and strategies; to guide strategic formulation, alignment and implementation; thus making it a valuable framework against which to consider brand alignment as an organisational capability for competitive advantage. He attributes the growth in popularity of organisational architecture as a strategic tool; to its value in aligning the organisation in order to ensure strategic attainability. With an emphasis on strategic implementation, Venter (2006:394) posits that the ability of the organisation to facilitate the effective and efficient implementation of strategy is almost entirely dependent on its internal functioning, which ties in well with the resource-based view just described in sections 2.5.3. and 2.5.4. Through the alignment of organisational culture, proper policies and procedures, an effective knowledge and skill base, a suitable organisational structure, and different processes and systems, strategies are put into action and results are realised, according to Venter (2006:394). He notes the emphasis on alignment here, suggesting that it is less about the various component parts of the internal organisation being in place than it is on these components acting in consort with each other. Venter (2006:397) offers the organisational architecture model as reflected below in Figure 2.1.



Source: Venter (2006:397)

Figure 2.1: Organisational architecture

This very issue lies central to the research question in this thesis — the quest for an advancement of current theory in the study of brand alignment to optimise business performance and obtain competitive advantage. Initial thoughts on a possible framework or conceptual model that depicts an approach were laid out prior to the actual case work, based on an analysis of the current literature; and is depicted in Figure 2.2. This adaptation takes the organisational architecture framework and effectively book-ends it with the internal and external brand, suggesting that brand alignment will facilitate the internal capabilities of the organisation to better synchronise the two; and deploy organisational resources in pursuit of performance and competitive advantage. The logic of this approach by the author is discussed and explained following the presentation of the diagram in Figure 2.2.



Source: Adapted from Venter (2006:397)

Figure 2.2: The brand driven organisation

The brand driven organisation above is an adaptation from the organisational architecture model developed by Venter (2006:397). The adaptation of this model, to include internal branding as a precursor to culture within the organisation and external branding as a key external stakeholder offering, is a structured and sensible point of departure in the consideration of a brand alignment process, the analysis of which is covered throughout the remainder of this section, through to Section 2.5.9.

Venter (2006:394) posits that organisational architecture is fundamentally about alignment, suggesting that much is dependent upon the various components of the internal organisation being in place to serve in consort in the realisation of results. Much has been said in the preceding literature about the need to similarly align the internal and external facets of the brand building process, suggesting a possible fit with the organisational architecture model as depicted in Figure 2.2. This idea is supported by the inference made by Hankinson and Hankinson (1999:135) in which they suggest that brand is the 'glue that binds the organisation'. Although conceptual, this idea fits with the principle of brand alignment as a means of connecting the internal; and external efforts of the business through brand; which plays a key role in the realisation of strategic value creation for the organisation (Keller, 2008; Kapferer, 2008; *et al.*). Through a simple bookending of the organisational architecture model with internal and external branding, and by inverting the stakeholder quadrant, a theoretical construct emerges for the brand alignment idea that serves as a point of departure and possible consideration. Internal branding thus features internally across all the elements of the organisational architecture framework and connects with the internal stakeholder; whereas the external stakeholder is directly connected to, or impacted by, the external brand.

Venter (2006:397) refers to the architecture framework as a flow diagram best read from right to left, in which organisational capabilities are expressed to external stakeholders through the realisation of internal processes, shaped by structure, systems, knowledge, skills, abilities and technology, all of which, in turn, are influenced by culture. The author's brand alignment supposition follows this train of thought in that the realisation of the brand to external stakeholders, is a function of the extent to which the brand is understood and applied internally throughout the organisation, thus alluding to the brand alignment idea. The external brand is a part of brand equity, which in turn is tied to value creation as discussed earlier. Differentiation through brand (Aaker, 2002) and sustained value creation is fundamentally linked to the principle of competitive advantage (Melewar, *et al.*, 2005:59).

Ulrich, Brockbank, *et al.* (2009:25) highlight the increasingly important role of human resources within the organisational architecture framework by describing them as strategy architects whose role it is to develop relationships in the organisation that bring people and business together in a manner that builds on systems and processes, that ultimately enhance organisational capabilities that better equip the business. They posit that this heightened role of human resource practitioners is ensuring them a seat at the boardroom table, as professionals who create and execute customer-focused strategies. This influence on the inside of the organisation builds on earlier work conducted by Ulrich (1998:124) in which he proposes that organisational architecture is defined as 'the underlying model of the firm's way of doing business'. In a sense, this alludes to the concept of culture, which is influential in the organisational architecture model; and in the earlier discussion of the resource-based view and is probed again later in this chapter.

The service brand equity model posited by Kimpakorn and Tocquer (2010:381) coincidentally also aligns internally to the left and externally to the right. In their depiction, the right side is the external communication and the brand image portrayed to the customer; whereas the left side is the organisational culture, environment and technologies that deliver the promised customer experience. This mirrors the flow or sequence as proposed in Figure 2.2 above.

While internal and external branding have been discussed in earlier sections of this chapter, the discussion now turns to the intermediate components of the diagram reflected in Figure 2.2 and additionally, discusses further issues emerging from the literature review. With regards to internal branding, the role of leadership impact on the culture is assessed and at the external, branding end; the issue of brand equity creation and competitive advantage is considered.

2.5.6 Culture, values and leadership

Organisational culture is an area of management that has been extensively researched over the years and the intent here is not to re-examine the entire body of work, but to determine to what extent there may be a link to the notion of brand alignment as a construct.

Andrews (2007:20) concludes with the suggestion that organisational culture represents perhaps the most compelling opportunity for the development of competitive advantage available to managers in the current business climate. Collins (2009) underpins this view with an updated perspective in his ongoing tracking and analysis of high performance organisations. He purports that the companies that have survived the economic crises most effectively have held culture and values central to their organisational philosophy, while challenging the business and operational strategy to cope with evolving market conditions. He suggests that this has served as a catalyst for galvanising businesses and providing protection in the economic storm.

Looking back somewhat, Fombrun (1983:139) defines the culture of the organisation as the emergent pattern of beliefs, behaviours and interaction that uniquely characterise the organisation as it operates within the industrial and societal context, positioning the discussion in terms which he suggests are borrowed from anthropology and have developed into an increasingly all inclusive management concept.

Barney (1986:657) posits that organisational culture is defined as a complex set of values, beliefs, assumptions and symbols that define the way in which an organisation conducts its business, suggesting that it has a pervasive effect on the firm because it not only defines who its relevant employees, customers, suppliers and competitors are, but it also defines how an organisation will interact with these key actors. Barney (1986:663) concludes that an organisation's culture can be a source of competitive advantage if that culture is valuable, rare and imperfectly imitable; and that it is one of several attributes that differentiates firms from one another, allowing some firms to employ it as a measure of superior financial performance.

The role of culture and its impact on the organisation is probed by Cahill (1995:46) viewing it as a socially-constructed reality and stating several properties that emerge when relating behavioural and learning principles to organisational culture:

- Culture is a generic term, which is learned.
- Culture is transmitted through a pattern of behavioural interactions.
- In the context of an organisation, there are multiple reinforcements and reinforcing agents.
- Each individual harbours predispositions that shape their perception of organisational culture.
- A symbiotic relationship exists between the reinforcing agent and the target.
- Changing an established organisational culture is challenging.

The issue of organisational culture has been extensively probed in a range of works by Schein (1986; 1990; 1996; 2000; *et al.*). He suggests that culture lies at the intersection of several social sciences and reflects some of the biases of each, especially those of anthropology, sociology, social psychology and organisational behaviour. He purports that many of the research methods of organisational psychology have weaknesses when applied to the concept of culture and suggests that if we are to take culture seriously, we must first adopt a more clinical and ethnographic approach to clearly identify the kinds of dimensions and variables that can usefully lend themselves to more precise empirical measurement and hypothesis testing. He concludes this particular observation offering that though there have been many efforts to be empirically precise about cultural phenomena, there is still insufficient linkage of theory with observed data, suggesting that we are still operating in a context of discovery and are seeking hypotheses rather than testing specific theoretical formulations – a view that underpins the direction of this thesis. The strong link established between brand alignment and culture as a capability in the organisation was covered comprehensively in sections 2.5.3 and 2.5.4.

Schein (1996:229) purports that concepts for understanding culture — shared norms, values and assumptions — in organisations have value only when they derive from observation of real behaviour in organisations, when they make sense of organisational data and when they are sufficiently definable to generate further study. In subsequent work, Schein (2000:27) comments on the issue of subculture within organisations and, in particular, what impact this has on dialogue and organisational learning. Schein (2001:41) also examines the impact of transnational organisations on cultural values and vice versa; aspects that require consideration during the proposed research.

Barrett (2006:11) has also carried out some ground-breaking work in this area and has evolved the Maslow hierarchy into a model of transformational culture that examines the roles and performance of the various divisions within the business on a spectrum of values measurement. The core of his work focuses on a whole system or integral approach to culture transformation and a strong focus on values management — measuring, monitoring and responding to causal indicators of performance, that is, values and behaviours, in order to adjust the culture of an organisation so that it is able to sustain high performance and mission assurance. This highlights the intersection or merger of brand and culture in the sense that brand captures and communicates organisational meaning and values, which in turn influences understanding and behaviour, and thus culture. He offers three key insights to the practical implementation of culture transformation in organisations:

- There is no one size fits all approach to cultural transformation and the approach must be adaptable and flexible, to suit different situations.
- Cultural transformation will only work if it is part of a whole-system change process — people will not change how they operate if the underlying structures, processes and reward systems do not also change.
- Cultural transformation will only succeed if the leadership team is committed to the process.

Other authors such as Burmann and Zeplin (2005:279) have examined the interrelationship between internal branding and the role of organisational behaviour, suggesting that it is employee behaviour that is the most often underestimated success factor in brand building. They posit the notion of brand citizenship behaviour and draw a clear link to internal brand commitment as the key to achieving this. They further argue that while extant theory supports the concept of internal brand management, this is not applied in practice and management need a model for improved levels of application. King (2010:517), in a study centred on the tourism and hospitality industry, takes a slightly different but supportive view that brand commitment and brand supportive behaviour is directly influenced by brand knowledge dissemination and role clarity. Leavy and Gannon (1998:39) as well as Kowalczyk and Pawlish (2002:159) have examined the aspect of corporate culture and the organisational brand, purporting a values–driven approach to management, positioning corporate culture as offering a basis for differentiation that can provide a sustainable competitive advantage, thus establishing a strong link between corporate culture and the corporate brand.

The issue of culture, values and competitive advantage has attracted ongoing research and attention over the years, more recently with some studies exploring the fringes of the link to brands and branding. Yaniv and Farkas (2005:447) explored the person-organisation fit (POF) and developed the POF framework as a determinant of the sense of mission that employees display toward an organisation. They posit that congruence between the individual's and organisational values enhances extra-role behaviour of the individual in the organisation; and ultimately results in improved performance. This mirrors the work carried out by Barrett (2006:19) in which he developed the Corporate Transformation Tool mapping the link between values alignment and organisational effectiveness, and between values alignment and financial success. This methodology surfaces at both of the support cases in this research and, in particular, at Case C, drawing a strong connection to brand and to the notion of the brand alignment construct. This appears to address the potential identified by Dobni, *et al.* (2001:401) in which they express the concern over culture as a nebulous concept in business which can be brought to life and built into an organisational capability through the mechanism of marketing, interfacing with people, to bring culture to life and make it meaningful, measurable and contributory toward competitive advantage.

Venter (2006:433) posits that cultures that successfully facilitate and drive strategy are key factors in an organisation's success, offering that such cultures share common principles, which include:

- Culture needs to create a shared identity for employees.
- Cultures which focus on high performance.

- Cultures should legitimise the role of management.
- Cultures should serve to guide ‘how things are done’.
- Fit should occur between new employees and organisational culture.
- Ethical business practices and strong values should infuse the organisation’s culture.

Venter (2006:434) summarises that in all, if properly integrated and managed, an organisational culture presents a formidable tool in driving an organisation’s strategic implementation; a view with which the author concurs and suggests that brand alignment provides a framework for this approach.

An investigation of culture also necessitates the consideration of leadership. Research into the field of leadership is vast and the intention is not to examine this in depth, but to consider the role and impact of leadership *vis a vis* the brand alignment construct and the bridge or influence between an internal approach to brand building, the shaping of culture; and ultimately, the ability to build brand alignment as an organisational capability.

Several authors have probed the issue of leadership surrounding the concept of branding, given its importance in business and the integration of brand and corporate strategy. Ulrich and Smallwood (2007:23) contextualise the relationship between the organisational brand and the influence of the individual leader’s set of values on the brand, arguing the need to have them closely aligned and to engage the customer perspective in the process. Van Gelder (2005:398) also examines this issue focusing on strategy, creativity and leadership as the new imperatives for success in the global branding arena. Bevolo and Brand (2003:35) on the other hand, see consumer co-creation and design as the blueprint for future brand management, combining systems, brands and culture into one, citing the development of Linux as a key example; and implying the notion of self-directed teams, less dependent on the leadership dimension.

Leadership within the realms of direct internal brand building is also receiving an increasing level of attention. Vallaster and De Chernatony (2005:187), in a paper on the internationalisation of service brands, specifically probed the role of leadership during the brand building process and determined from their research that the success of internal branding depends on the ability to leverage cognitive, affective and communicative differences amongst culturally diverse employees. They further purport that two behavioural competencies are crucial in the process:

- Defining a clear brand vision; and
- Facilitating verbal and nonverbal social patterns, showing commitment, employees who are trusting and living brand values.

They conclude that this builds passion, commitment and organisational identification amongst employees being ultimately responsible for successful service brands. In a subsequent research report Vallaster and De Chernatony (2006:776) continue to build on the role of leadership within the internal brand building process and seek to examine the relationship between organisational structures and individual brand supporting behaviour. The practical implications of this subsequent work has included the development of ‘brand ambassadors’ as agents for brand adoption internally and for managing the balance between stability and change. They acknowledge, however, that their findings may lack generalisability and they encourage researchers to test the proposed propositions further.

Ulrich and Smallwood (2007:100) concluded a report probing the role of leadership in the development of the internal brand, suggesting that organisations can strengthen their leadership positions by working hard to translate what they stand for in the marketplace into a set of managerial behaviours. In identifying companies with a high brand leadership quotient they discovered that the price/earnings ratios of such organisations outperformed the aggregate of a peer group in the same industry sector, suggesting a positive correlation between leadership branding internally and market performance — this appears to support the notion of leadership influence on the brand alignment process and ultimately on the ability to drive internal resources towards the building of competitive advantage.

Wieseke, Ahearne, *et al.* (2009:123) posit that there is little empirical research on the role of leaders in internal marketing despite its intuitive appeal and anecdotal accounts of its benefits. They adopt a social identity theory perspective and conclude that internal marketing is fundamentally a process in which leaders instil into followers, a sense of oneness with the organisation, more formally known as organisational identification. They further positively connect high levels of organisational identity to business unit financial performance, providing empirical evidence for the role of leaders, especially middle managers; in building team identification that lays the foundation for internal marketing in the organisation. Wieseke, Ahearne, *et al.* (2009:123) conclude their study by suggesting the importance of leaders in creating, enacting and perpetuating the motivational drive for meaning when building identity in the organisation and they link this to both the financial performance of the organisation as well as the ability to cascade core values and behaviours throughout the business. In the view of the author, this links back directly to the role and impact of internal branding and its influence on building shared meaning in the organisation and drives a set of behaviours that can mobilise resources and galvanise efforts that are directed towards organisational goals and ultimately, the strategic intent of the firm. The impact of leadership on the brand alignment process is therefore deemed important and influential.

In the view of the author, the link between internal brand, leadership and organisational culture is strong. Leaders influence the culture of an organisation and it is incumbent on them to share meaning, strategic direction and the values of the business as the organisation pursues strategic intent. Vallaster and de Chernatony (2006: 775) underpin this by suggesting that successful leaders, who adopt a holistic understanding of the corporate brand, consider it as the total sum of organisational signs that are transferred to its audiences through the core values for which the organisation stands. It appears that the opportunity also exists, to use internal branding as part of the resource-based approach to competitive advantage and shape such culture and value-sets through the process.

This section concludes with a return to Barrett (2006:11) who suggests that organisational culture is influenced by structure and processes and their ability to build or detract from the desired culture of the firm. This is probed in the next section.

2.5.7 Structure, Systems, KSAs and Technology

Structure; systems; knowledge, skills and abilities (KSAs); and technology are examined here in the context of the organisational architecture model and its relevance and support of the brand alignment construct.

Venter (2006:405) suggests that organisational structure plays a critical role in the effective implementation of strategy and the achievement of various strategic imperatives and must therefore ultimately serve to provide a sense of purpose and direction, essentially working in tandem with the culture of the firm. A detailed analysis of organisational design and structure models and approaches falls beyond the scope of this thesis. Suffice to say that it is examined in the context of the individual case analysis and considered in terms of support or detraction from the brand alignment idea. Venter (2006:422) argues that organisational structure is dynamic in nature and suggests that paradigm shifts have occurred to address what is increasingly seen as chaos in an accelerated world and positing that ultimately, what creates order from chaos is commonality of purpose, offering that structure plays a role in this as a part of the organisational architecture framework. The author proposes building on this in the thinking of brand alignment, with the notion that brand will heighten this sense of purpose and unification; and galvanise the organisation in strategic implementation and attainment of competitive advantage.

In his framework for whole-system change towards cultural transformation, Barrett (2006:149) suggests that structural alignment is key to the process and involves the reconfiguration of systems and processes of the organisation so that they align with the vision, mission, values and behaviours of the firm. The author sees a high level of connection between this view and the brand alignment construct. Barrett (2006:*ibid*) continues that such processes form the underlying formal and informal behavioural reward system that supports the culture and exert a long term impact on the culture because they constitute the materialisation of 'how things are done around here'. He offers that such change is not easy and can take up to 2 to 3 years to implement in large organisations, highlighting the need for tools and systems that measure and manage both supportive behaviours as well as those that detract from the desired culture.

Vallaster and de Chernatony (2006:774) reveal that internal brand building efforts are characterised by a high degree of coherency and consistency of corporate identity structures, facilitated by leadership and that if leadership fail to integrate them, the corporate branding effort is bound to fail. They provide a practical research perspective in the contrast cases of two global businesses in British Airways and Disney. In the case of British Airways, an attempt was made at internationalising the brand and moving to a more global positioning externally, whereas the internal structures confined the culture and service experience to one which remained 'typically British', resulting in a disconnection and ultimate failure of a brand repositioning exercise. This is contrasted by the Disney case in which the organisational structure and systems are fully aligned with the promised brand experience – there are no limits when buildings and sets are designed for the parks as the firm strives for perfection, quality and satisfaction and follows a strict code of delivery of the brand service experience. Vallaster and de Chernatony (2006:778) thus posit that internal brand building is a strategic matter that needs to be developed from, and supported by, top management, as their social position enables leaders to design brand-supporting corporate structures that enable brand adequate behaviours; or conversely, restrain them. The connection between structure, systems and leadership is therefore made within the brand alignment construct.

The interdepartmental nature of brand behaviour is addressed by Thompson (2004) in which he suggests that a new structure and format is emerging, involving the integration of human resources, marketing and corporate communication functions into a synergistic whole. Kimpakorn and Tocquer (2010:380) also purport that the new approach that emerges from the services economy is more holistic and requires that branding efforts be supported by different departments. They continue to suggest that this new perspective must be supported by a strong service culture and clear leadership and should not relate to a specific managerial function like marketing, but rather, the contribution of different departments like human resources, operations, and information technology. In the view of the author, this is a fundamental premise in the brand alignment model and approach, suggesting that it is an organisation-wide effort and philosophy that needs to pervade the firm.

Venter (2006:423) highlights that a solid framework of systems, policies and procedures that are strategically supportive is key to driving the core processes of the organisation in achieving strategic alignment and implementation. This covers reward systems, performance management systems, and policies and procedures that guide and align organisation's employees in their activities and behaviours, acknowledging that they are prescriptive in nature at times, create consistency of operations, and also facilitate the formation of organisational culture. Venter (2006:428) asserts that KSAs are fundamental drivers of the strategic process, often referred to as competencies, and are the requisite expertise and know-how necessary to run the organisation efficiently and effectively in order to retain a competitive edge. He also acknowledges the role of technology as an enabler and the pervasive nature of different technologies in the modern economy, suggesting that it is core to the effective implementation of process in almost all organisations.

In their study of the determinants of core value behaviour (CVB) in service brands Thorbjornsen and Supphellen (2011:70) posit that procedures and systems may have a strong influence on work behaviour. In the case of CVB, systems and procedures like reward systems, customer support systems and formal training programmes, are likely to support or suppress employee motivation and ability to behave in line with stated core values, and ultimately the external brand expression and expectation. Using the example of ‘speed’ or ‘simplicity’ as a stated core value for a business, people are likely to be highly discouraged by a slow and cumbersome information technology system. They define perceived procedural and structural support as the level of relevant formal systems and procedures that are likely to stimulate CVB, acknowledging that specific procedures and systems will vary across companies within an industry sector and from industry to industry. A hypothesis from their study is therefore that when procedures and systems are in place, and are supportive; higher levels of core value behaviour can be expected. This finding resonates with the brand alignment construct that further builds this notion and directs it towards an overall organisational performance benefit and ultimate value creation through competitive advantage.

An organisation’s structure and the operational systems it deploys, together with the key knowledge, skills and attitudes of its staff and the technology utilised, drive the processes in the firm that deliver its capabilities to stakeholders (Venter, 2006:405). This is considered in the next section.

2.5.8 Process and capabilities

Venter (2006:404) defines processes as being central to organisational architecture and instrumental in delivering the firm’s capabilities. Veasey (2001:423) categorises these as management processes encompassing the traditional management tasks of planning, organising, leading and controlling strategic efforts; operational processes which convert inputs into outputs across both goods and services and support processes such as human resources, marketing and information systems, suggesting that while they are not core business in many instances, they are key to the overall functioning of the organisation, impacting efficiency and effectiveness.

Capabilities are therefore defined as the different deliverables provided to stakeholders by the organisation (Venter, 2006:402) and take on the form of specific outcomes to relevant stakeholders, dependent upon the nature of competitive strategy which could be low cost in nature or follow a differentiation strategy. By way of example, he illustrates capabilities in the context of shareholders as being higher returns through diversified product or service offerings for an organisation following a differentiation strategy versus, for example, suppliers as stakeholders going through continuously renegotiated contracts emphasising price and value, in the case of a low cost strategic capability. Lee, Venter and Bates (2004:17) posit that the capabilities that an organisation can deliver upon depend on several things, the most obvious being resources — larger organisations may enjoy economies of scale allowing them to deliver capabilities that the smaller firm may not be able to do. The particular configuration of organisation type and stakeholder group can also constitute a determinant and as result there is no absolute list of interventions as capabilities, but rather that which each organisation must do within its own context. Brand alignment as a construct is potentially both a capability in the context of the organisations' capacity to align internal efforts with its external promise to market, as much as it is potentially also a possible approach to over-arching strategic intent, in the opinion of the author. This view of brand alignment as an organisational capability and strategic resource is comprehensively covered and motivated earlier in Section 2.5.4.

Doyle (2001:257) posits that resource-based theory proposes that defining an organisation in terms of its assets and core capabilities offers a more durable basis for strategy than a definition based on the customer needs that the business seeks to address. He argues that sustained success depends on more than simply satisfying market opportunities, but depends more on the special capabilities required for delivering at lower cost and higher quality; or building more effective and valuable customer relationships than the competition. He furthers that the key to creating shareholder value in competitive markets is in possessing differential advantage to deliver lower cost, higher quality or enhanced relationships and that achieving this differential advantage is dependent upon the firm’s business processes. He groups these business processes into the following three areas:

- The product development process which enables the firm to create innovative solutions to customer problems.
- The supply chain management process which acquires inputs and transforms these efficiently and effectively into products and services.
- The customer relationship management process which identifies customers, defines their needs, builds customer relationships and shapes the perception of the organisation and its brands.

In order to make superior offers to customers, an organisation must have outstanding business processes that enable more innovative solutions than its rivals, have operations that deliver customer solutions at lower cost or be outstanding at managing customer relationships. This innovation focus features prominently in the contemporary writing of Hamel (2007) and Kim and Mauborgne (2005), bringing into focus the appeal that brand and brand alignment have for business today.

Stakeholders are the ultimate recipients of the business capabilities as output and are therefore the focus of the next section of this chapter in the build-up towards brand equity creation and competitive advantage.

2.5.9 Stakeholders

Venter (2006:401) defines stakeholders as the group of people that have a vested interest in the running of the organisation because they are affected in some way by the outcomes of the activities of the firm. In essence, they are impacted by the strategic direction of the organisation and ultimately by the actions and results of the business. Because of this, the stakeholder groups of many organisations become quite broad and include shareholders, employees, suppliers, customers, the community, media, the regulator, investors and so on; often categorised into primary and secondary stakeholders, dependent upon the organisation.

In the authors view, it is in the stakeholder territory where brand, reputation and corporate strategy effectively intersect and where the theory of brand alignment for the organisation becomes a potentially valuable business construct. Fombrun and Shanley (1990:233) posit that firms compete for reputational status in institutional fields, with managers attempting to influence other stakeholders' assessments by signalling the firm's salient advantages. They suggest that corporate audiences routinely rely on the reputations of firms in making investment decisions, product decisions and career choices and that reputations signal to stakeholders how an organisation's products, jobs, strategies and general prospects compare to those of competitors. They further that reputations also have potentially favourable consequences by signalling consumers about product quality, possibly enabling premium prices; attracting better job applicants; enhancing access to capital markets; and attracting investors; ultimately synthesising the status of the firm within an industrial social system and integrating with the holistic approach to branding as posited by Schmidt and Ludlow (2002:14), which was discussed earlier in this chapter under Section 2.5.2.

Fombrun and van Riel (2004:4) describe the overlap between brand and reputation and although they try to distinguish between them, they acknowledge that they are used interchangeably in connecting with stakeholders across a number of fronts and work in tandem as a 'calling card' to the organisation, attracting followers, customers and investors and involving the assessments that multiple stakeholders make about the firm's ability to fulfil their expectations. They further posit that a good reputation sits on the bedrock of a good brand and that the two constructs constitute a key source of distinctiveness that produces support for the firm and differentiates it from its rivals. They conclude the point that reputation and brand matters to stakeholders and that they should be nurtured and protected because they form the basis of continued competitiveness for large firms and are the foundation upon which to build business for smaller firms, highlighting that they are both valuable and vulnerable. In linking brand and reputation to value creation amongst divergent stakeholders, Fombrun and van Riel (2004:8) offer the following examples:

- Customers – this affects purchase decisions and so influences the firm's ability to generate revenues.
- Employees – attracts interest from potential employees and reinforces the commitment of in-house employees to the firm's values, beliefs, mission and objectives, driving loyalty, motivation and engagement.
- Investors – builds and retains confidence amongst both individual and institutional investors, enabling the firm to gain access to large pools of capital.
- Media - impacts and influences media interest and coverage, with better regarded organisations likely to be predisposed to favourable media positioning and stories.

- Financial analysts – creates and affects the language of analysts in generating better recommendations for a firm’s shares and their influence over the investor community.
- Communities – engages and communicates with this increasingly critical stakeholder group, often playing a vital role in the licence to operate in certain industries and securing responsible corporate citizenship in many instances.

Although further stakeholder groups such as suppliers, government, and others can be additionally segmented, the above makes the point and highlights key stakeholders to the organisation. Fombrun and van Riel (2004:20) confirm that brand and reputation matter because they are intrinsically connected to the strategic positioning of the firm as a whole, reflecting a firm’s relative success at convincing upstream, downstream and diagonal stakeholders about the current and future validity of its strategic direction. In the view of the author, the brand alignment construct seats itself centrally within the connection between stakeholders and the strategic position of the organisation – the internal brand addresses the requirements of the employee as stakeholder while the external brand works towards the multi-dimensional external stakeholder groups and the overlapping brand alignment model mobilises the organisation and its internal resources to deliver against stakeholder expectation, building distinctiveness and competitive advantage. In this process, the creation of financial value occurs to the organisation.

Such economic value creation through brand and reputation is of clear benefit to a broad array of stakeholders and is increasingly referred to as brand equity; a growing and at times contentious discipline of branding, which is elaborated upon in Section 2.6.

2.6 Brand equity and competitive advantage

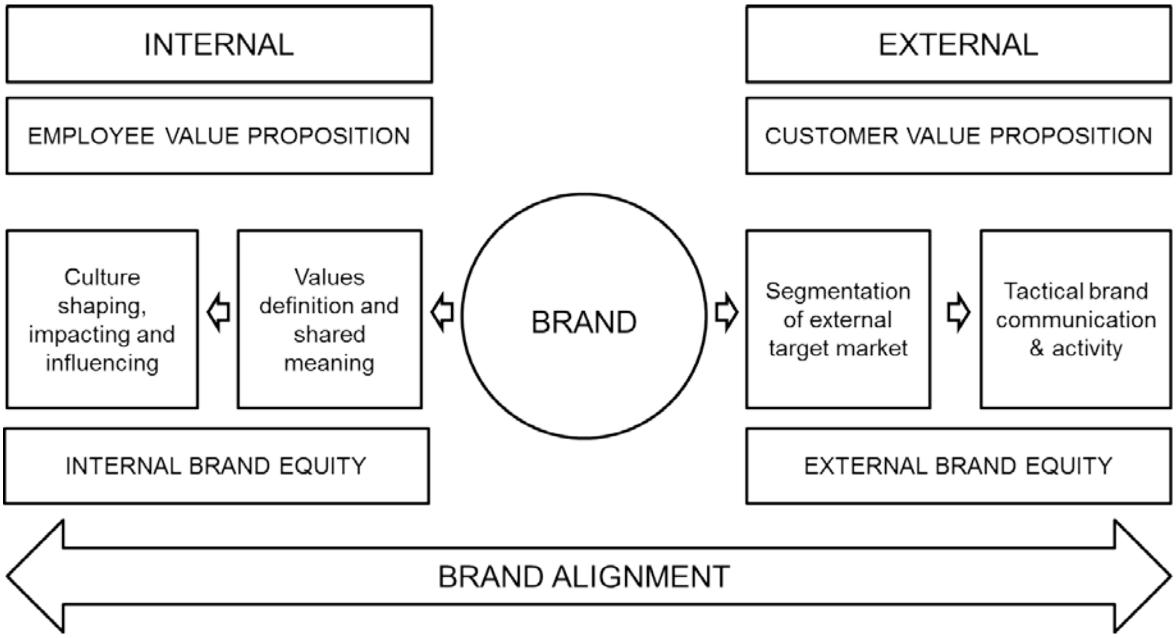
The notion of financial awareness, business performance and brand value has become significantly heightened in recent times and concurrent with the rapid developments that have taken place in the brand sphere. Interbrand Best Brands (2011) is one of several annual international updates on global brand performance and one of several consulting groups that has pioneered the advent of brand valuation and balance sheet adoption. Many of the leading authors, including Kotler (2001), Kapferer (2008), Aaker (2002) and Keller (2008), underpin both the need for and the role of branding in contributing to business performance and the achievement of organisational metrics. The importance thereof and the role that brand continues to play is a key aspect in the rise and recognition of brand at boardroom level. Sherrington (2003) bases the role of brand in creating demand-led growth as the fundamental premise of his work and suggests that it is essential that brand performance is tracked and measured, identifying the return on investment of the marketing and brand spend, an area which, at times, does attract criticism of the marketing fraternity, suggesting that marketing spend is seen as a cost centre, unable to account for the levels of investment.

The leading work in the area of brand tracking and contribution to business has been carried out by Keller (2008), although he does acknowledge that further research is required to determine the role and influence of internal brand on value creation and brand equity determination. A detailed analysis of his methodology and framework falls outside the scope of this research report; however, and it is the principle and output that is recognised here as being critical in the context of a discussion on contemporary brand issues. Keller (2008:47) created the brand value chain which is a structured approach to assessing the sources and outcomes of brand equity and identifying the manner in which marketing activities create brand value. The model essentially hinges on a combination of value stages that the brand undergoes, overlaid by a range of multiplier effects that influence the valuation by the financial community.

Keller (2008:395) also cites consultancy models such as Young & Rubicam's BrandAsset Valuator (BAV) as one of the global benchmarks in tracking brand performance through an extensive international database, recording scores on brand strength, defined as brand relevance and differentiation; and brand stature, defined as brand esteem and knowledge. This data is used by several of the international consultancies conducting brand valuation exercises to leverage brand performance against business performance and determine the financial impact thereon.

Brand valuation is a field of its own within the branding and financial community and one that will continue to attract much attention as both communities seek to establish a framework and methodology that is globally acceptable and consistent. Current models are essentially outwardly focused. It will be interesting to monitor the further research development that takes place and to integrate the internal influence on the brand valuation process. Baumgarth and Schmidt (2010:1250) examine the powerful impact of a brand oriented corporate culture on internal brand equity and demonstrate the relationship to external brand equity, suggesting a link between the two. While this focused on industrial markets, the same point is made by Kimpakorn and Tocquer (2010:385) calling for further research consideration of employee brand equity in the services sector. In a recent study centred on employee-based brand equity, King and Grace (2010:940) suggest that brand equity is still dominated by either the financial or customer view that needs to take cognisance of the internal view in broadening the literature perspective.

In an effort to propose a future review of literature in this area, the author has offered a framework for further consideration, that suggests a brand alignment approach to the determination of brand equity in the context of some of the views cited above, which suggest the inadequacy or neglect of the internal brand or employer brand in the calculation of brand equity. This is depicted below in Figure 2.3 where the internal brand embraces the employee value proposition, supporting the definition of organisational values and shared meaning contributing to the shaping of culture in the organisation, and ultimately moving toward an internal brand equity calculation. This is matched by the external brand which packages the customer value proposition and translates this in tactical brand communication towards clearly defined target market segments, thus deriving the external brand equity of the organisation. The brand alignment idea suggests that both of these dimensions need to be considered in the calculation of brand equity.



Source: Author

Figure 2.3: Brand alignment and brand equity

The intention is not to hold this out as a hypothesis or to specifically investigate this framework during the research phase, but to consider it during the course of the case research and conclusions with a view to assessing its merits to direct further research.

Sustained value creation to shareholders in the determination of brand equity is a core objective of the process of competitive advantage, a desired end-state of the organisational architecture model and proposed brand alignment framework. This is discussed next, in the final consideration in this literature review.

2.7 Competitive advantage and brand alignment

Doyle (2001:259) observes that investors are increasingly viewing intangible assets such as the firm’s knowledge, skills and reputation as the key to superior business processes; and confirms that investments in physical assets are being outweighed by human resource and brand building investments, the intangible assets that drives the firm’s core business processes in the resource-based model of the firm. These core business processes are the drivers of the firm’s differential advantage and its ability to create shareholder value. He posits that these processes themselves are founded on the firm’s core capabilities which derive from the resources or assets it possesses. It is the author’s view that brand alignment can present itself as an opportunity as a core capability of the firm, in pursuit of competitive advantage.

Grant (2002:150) suggests that the primary goal for strategy is to establish a position of competitive advantage for the firm and proceeds to define it more fully as follows:

> When two firms compete (i.e. when they locate within the same market and are capable of supplying the same customers), one firm possesses a competitive advantage over the other when it earns a higher rate of profit or has potential to earn a higher rate of profit.

Grant (2002:151) summarises this as the ability of the firm to outperform rivals regarding its primary performance goal – profitability. He does however also posit that competitive advantage is not always revealed in profitability terms and an organisation may decide to trade profitability for market share or may forgo profits in the interest of philanthropy, rewards to employees or executive remuneration. Grant (2002: 154) also builds a case for innovation in the approach to competitive advantage, suggesting that it not only creates competitive advantage but provides a basis for overturning the competitive advantage of other firms. He furthers that it embodies a new approach to doing business – the author offers that the brand alignment model may offer such an approach. A detailed analysis of the various types of competitive advantage available to the firm fall beyond the scope of the literature review. Suffice to say that its potential for establishing competitive advantage, according to Grant (2002:166), depends upon the firm's resources and capabilities, especially its top management capabilities and the extent to which top management is able to operate outside of the industry's dominant logic or industry recipe. Brand alignment is therefore positioned within the resource-based view of competitive advantage as a core capability of the firm.

Ray, *et al.* (2004:25) highlight the ability of an organisation's intangible resources and capabilities to build sustainable competitive advantage, positing that resource-based logic suggests that while all resources are important in enabling an organisation to execute a business process, it is the intangible resource that is likely to be a source of sustained competitive advantage due to the difficulty in replicating such advantage. Barney (2001:643) maintains that business processes that exploit valuable, rare and costly-to-imitate resources can be a source of sustained competitive advantage. Ray, *et al.* (2004:26) add that to realise the full competitive potential of its resources and capabilities, an organisation must organise its business processes efficiently and effectively, a view that meets with the concept of organisational architecture forwarded by Venter (2006:397) upon which the idea of brand alignment builds. Ray, *et al.* (2004:26) further that because they are path dependent, socially complex and causally ambiguous, it is reasonable to expect that business processes that exploit intangible resources within the firm are likely to be a source of competitive advantage, more so than business processes that exploit tangible resources; acknowledging that tangible and intangible resources are often put together to enable a particular process. Brand alignment as a possible model is offered as an intangible resource and capability to the organisation.

Hamel and Prahalad (2005:161) also posit that strategic intent as a component of competitive advantage requires a fresh and innovative approach. Their view is that strategy formulation as an elitist activity centred on the annual strategic planning review, will at best be incremental in nature with little effort to challenge conventional corporate wisdom. Whereas this conservative approach is often attributed to the volatility of the global economy, they argue that top management caution is a function of lack of confidence in involving the entire organisation in the revitalisation process and posit that leaders need to develop faith in the organisation's ability to deliver on tough goals, motivating it to do so and focusing its attention long enough to internalise new capabilities. This, they suggest, will enable companies to build market leadership and competitive advantage. The author views brand alignment in this light and considers it as an innovative alternate approach to building organisational capability in a new and energising manner in which the firm can derive such competitive advantage.

2.8 Conclusion

This brand alignment construct is of course premature in that it precedes the case research but was utilised to frame a structured approach to early instrument development and to take an organised approach to the case analysis, cycling back and forth between data analysis and coding, and theory triangulation. It therefore has served as an early position and conceptual framework for the development of research questions and case analysis as addressed in the following chapter covering the research methodology.

The extended literature review in this chapter of the thesis endeavours to summarise key components of branding, internal branding and brand alignment that support the formation of a theme area and the articulation of a possible problem or gap in the body of knowledge, with a proposed solution by way of a comprehensive study, extracting solutions and advancing the broader base of academic knowledge and thinking in this area.

In so doing, the area of brand has been identified for further research in a defined manner. While the body of knowledge in this field is vast, as a subset of marketing, it is advancing rapidly in the 21st century and some would argue that marketing is now embraced as a part of branding. This thesis probes brand alignment as a central business tool and organisational capability seeking to support organisational strategy through the development of distinct and sustainable competitive advantage. The thesis strives to explore brand alignment as a strategic imperative in the organisation and a catalyst for firm-wide innovation, specifically probing the ability of branding to encapsulate the overall reputation of the organisation, its external promise and offering to the market and critically, the alignment of organisational resource, with a particular emphasis on people and their behaviour; in support of this. The concept of brand currently lies on a comprehensive body of existing theory, upon which this study seeks to investigate and build a new strategic business paradigm.

This thesis explores and discusses the following questions which initiate a consideration of relevant research-related discourse:

As the primary research question:

- How do companies achieve brand alignment to optimise business performance and obtain competitive advantage?

As secondary questions in support of the above:

- How do organisations ensure synergy between brand and the corporate strategy?

- How do organisations ensure that the internal brand is synchronised with the external brand?

- What methods and approach will enable the alignment of internal and external brands and the achievement of the strategy?

- Why should existing brand equity theory and practice incorporate the brand alignment measure?

The above supposes a narrow focus in terms of the research area but with an end result in terms of potential findings that will advance the body of knowledge across a number of the management science theories, through exploration of the various dimensions that constitute a holistic approach to branding and brand behaviour inside organisations. This thesis explores various facets of management science, seeking interrelationships between the various disciplines and connectedness of key concepts that support the chosen theme area of brand alignment. This is expected to be non-linear in nature and will demonstrate the movement of branding from a functional role to an organisation-wide philosophy.

This concludes the discussion on brand alignment within the existing literature review and attention now turns to the research methodology deployed in an approach to the examination of four case organisations and described comprehensively in Chapter 3.

CHAPTER 3 – RESEARCH METHODOLOGY AND DESIGN

3.1 Introduction

The foregoing chapters have set out a series of observations based on the literature review. They have probed a new area of management thinking centred on the concept of brand and the alignment thereof internally in the organisation. This is performed in a manner that encapsulates strategic intent and derives competitive advantage for the organisation, whether in the form of organisational culture enhancement, through to the manifestation of sustainable business results. Inherent in the concept of internal branding as a catalyst for competitive advantage lies a number of issues that need to be examined in the formulation of new theory development. Issues such as the nature of the organisation, the adoption and understanding of the concept of brand, the definition of departmental roles within the organisation and the extent to which brands are internally aligned with their external market expression are some of the elements that need investigation and analysis in the development of a model and theory advancement, both academically and in practice.

The research problem therefore centres on the investigation of the phenomenon of a brand-led approach to corporate strategy, involving a high degree of executive integration and a strong alignment of brand philosophy within the organisation, in support of the external messaging and offering and the operational performance of the business, ultimately deriving competitive advantage.

3.2 Research objectives

The research objective is to develop a model that aligns brand behaviour throughout the organisation in a manner that drives competitive advantage. This organisational phenomenon will be influenced by a range of elements which will be tested for relevance and validity in the course of the process in organisations that achieve a high degree of brand alignment and use brand as a primary source of competitive advantage, as well as in those who do not and those who use a contrasting approach.

The primary research question of the study was therefore:

- How do companies achieve brand alignment to optimise business performance and obtain competitive advantage?

Secondary research questions linked to this were:

- How do organisations ensure synergy between brand and the corporate strategy?

- How do organisations ensure that the internal brand is synchronised with the external brand?

- What methods and approach will enable the alignment of internal and external brands and the achievement of the strategy?

- Why should existing brand equity theory and practice incorporate the brand alignment measure?

An assessment of the above will allow for the extraction of new ideas through theory triangulation and an innovative approach to the development of new theory in this area, with the formation of appropriate management models.

3.3 Research design

The nature of the research problem lends itself to a dynamic and innovative approach to the research design required to explore this phenomenon. Given that it essentially constitutes new theory development and probes an area in which little academic research has been directly targeted, this research project requires an approach that is especially appropriate in new topic areas and may result in theory which is novel, testable, relevant and empirically valid. In the fundamental comparison between a quantitative or qualitative study, the latter is selected on the basis that the research is not narrow and confined to a specific, repetitive topic, but rather one with a focus on the context of discovery rather than justification. Yin (2003:2) suggests that qualitative methods assist researchers who seek to understand complex social phenomena.

This implies the use of different methods to harness richer and deeper understanding of the area under consideration, combining observations from prior literature, insights from new investigative work, common sense and experience (Eisenhardt, 1989:532). She argues that it is the intimate connection with empirical reality that gives rise to and permits the development of testable, relevant and valid theory. Grounded theory as it was defined is an inductive, theory discovery methodology that allows the researcher to develop a theoretical account of the general features of a topic, while simultaneously grounding the account in empirical observations or data. Grounded theory is thus not intended to be used for theory or proposition testing, but for theory development (Eisenhardt, 1989:548). Further detail on this approach follows in the ensuing sections of this chapter.

3.3.1 Research methodology

Corner (1991:719) suggests that quantitative methods are most commonly represented by experimental research designs, where casual relationships between variables are examined, controlled or removed from the natural setting and observations are quantified and analysed in order to determine statistical probabilities and the certainty of a particular outcome. Qualitative methods, Corner (*ibid*.) suggests, seek to examine phenomena in context, generating theory from the actor's perspective, and accept and even encourage study designs where the researcher and subject are part of a two-way process in which understanding develops in the development of theory.

While there remains considerable and robust debate on the merits and demerits of either a quantitative approach or a qualitative one, such debate falls outside the ambit of this research method motivation. Suffice to say that whilst the literature often focuses on the relative incompatibility and differences of these approaches, the author chooses to focus on the specific value of particular research techniques.

Corner (1991:719) suggests that quantitative methods represent the logical positivist approach to research, whereas qualitative methods take the phenomenological or ethnographic approach. The latter has been adopted in this research project owing to its exploratory nature. Whereas a quantitative study concludes with confirmation or disconfirmation of the hypotheses that are tested, a qualitative study may finish with tentative answers or a hypothesis about what was observed.

Miles and Huberman (1994:6) offer some recurring features of the latter 'naturalist' research approach:

- Qualitative research is conducted through intense or prolonged contact with a field or life situation.
- The researcher's role is to gain a holistic overview of the context under study.
- The researcher attempts to capture data on the perceptions of local actors from the inside.
- The researcher is essentially the main measurement device in the study.
- Most analysis is performed in words.

The author has noted that quantitative researchers lean toward few variables with many cases, while qualitative research appears to deal with few cases and many variables. Given that this research study is essentially one of theory building and that it launches from the perspective that there is no cohesive theory under consideration, nor hypotheses to test, a qualitative approach to this research project has been adopted.

3.3.2 Qualitative research

Burns and Grove (1987:36) illustrate the discussion with a comparative table of quantitative and qualitative characteristics, summarised in Table 3.1.

Table 3.1: Quantitative and qualitative research characteristics

Quantitative research	Qualitative research
Hard science	Soft science
Focus – concise and narrow	Focus – complex and broad
Reductionistic	Holistic
Objective	Subjective
Logistic, deductive	Dialectic, inductive
Cause and effect relationships	Meaning discovery
Tests theory	Develops theory
Control	Shared interpretation
Instruments	Communication, observation
Element of analysis – numbers	Element of analysis – words
Statistical analysis	Individual interpretation
Generalisation	Uniqueness

Source: Burns and Grove (1987:36)

In underpinning her motivation for a qualitative approach in certain situations, Corner (1991:719) offers the premise that quantitative research methods make an epistemological assumption that the social world lends itself to objective forms of measurement. However, stripping data from its natural context poses questions about the reliability of findings, since random or serendipitous occurrences are assumed not to happen. She contrasts this (1991:720) with the fact that qualitative approaches are felt to be concerned with understanding human behaviour from the actor's own frame of reference.

Mangen (1999:109) asserts that the qualitative approach, when theoretically informed, is the most open-ended, flexible, exploratory means of formulating hypotheses for further structured analysis. He further postulates the need to locate phenomena in a dynamic societal context and, in particular, how endogenous and exogenous variables may interact.

Qualitative research is not merely non–numerical. The heart of its defence lies in its ability to penetrate the experiential and real social worlds of intentional, self–directing actors, through both the spoken and written word. Mangen (1999:110) builds on the work of Strauss and Corbin (1990) in their advance of the primacy of the individuals' narrative accounts for the grounding of theory – in its focus on social process, it is the person's own account that matters, according to them. Mangen (1999:110) also defends his view by citing Coffey and Atkinson (1996) regarding the use of the term of 'culture of fragmentation' that is characteristic of analyses derived from heavily pre-coded and categorised data.

Miles and Huberman (1994:8) list three approaches to qualitative research that principally support the above views:

- Interpretivism

Researchers are no more detached from their objects of study than are their participants. They argue that researchers have their own understandings, their own convictions; their own conceptual orientations and that they too are members of a particular culture at a given point in time. Pre–established instrumentation is necessary to separate the external information from what they themselves have contributed, when encoding and decoding the words of their respondents.

- Social anthropology

This involves extended contact with a defined community with particular attention paid to the description of local peculiarities, the focus on individual perspectives and interpretation of their world, with relatively little pre-structured instrumentation, but often with a wider use of audio and videotapes, film and structured observation, than in other forms of research.

- Collaborative social research

This approach involves collective action taken in a social setting, where the researchers design the outlines of a field experiment. This is accompanied by a process of reflexivity where the research remains in a questioning or asking stance, or dialectics, where the researcher and local actors may hold opposing interpretations of the data. Action research has been an outcome of this approach as a general strategy for institutional change.

An interpretivist approach is proposed for this research project, based on the rationale presented thus far and further supported by the findings of Lacity and Janson (1994:148) who argue that interpretivist approaches are concerned with the contextual circumstances that influence the process. The caveat they express is naturally that researchers must understand their own cultural filters and biases.

Interpretivists reject the notion that frequency is an indicant of importance and their validity checks are largely based on the acceptance of the scientific community – if they find meaning in the research, it is deemed valid and worthwhile (Lacity and Janson 1994:149). This study has therefore utilised a qualitative, interpretivist approach to explore the possibilities of new theory development through the case research approach, which methodology is now examined in more detail.

3.3.3 Case research methodology

The term case research is used to distinguish it from the popular description of case studies, as synthesised by Perry (2001:305). Case research is described as:

- An investigation of a contemporary, dynamic phenomenon and its emerging, rather than paradigmatic, body of knowledge (Eisenhardt 1989; Yin 2003)
- When the explanation of causal links are too complex for survey or experimental methods (Eisenhardt 1989; Yin 2003)
- Using interviews, observation and other multiple sources of data (Perry 2001:305)
- A phenomenon of some sort occurring in a bounded context (Miles and Huberman 1994:10).

Yin (2003) suggests that many cases have sub–cases within them and suggests that the case study is preferred in examining contemporary events, when the relevant behaviours cannot be manipulated. Yin (2003:13) supports the above views, concluding that case research is especially appropriate in situations where:

- there is a contemporary phenomenon within its dynamically changing, real-life context;
- the boundaries between the phenomenon and its context are not clear-cut; and
- multiple sources of evidence are used.

The phenomena under study in this research project meet with the above criteria. The notion of brand alignment is a highly contemporary issue, taking place in a dynamic and current business context. A real-life context is offered through the cases selected and the boundaries between the phenomenon and its context are opaque. Multiple sources of evidence are considered in the study.

Perry (2001:306) suggests that in social science phenomena there are few direct A to B causal links, because any links are strongly influenced by the context. Case research is thus explanatory, theory-building research, which incorporates and explains ideas from outside the situation of the cases. It is well suited to addressing a ‘how and why’ research problem (Yin 2003:9) and thus suits this research project.

Eisenhardt (1989:533) posits an 8-step process of building theory from case study research and she suggests that it is an especially appropriate approach in new topic areas, with the resultant theory often being novel, testable and empirically valid. The process comprehensively covers the basis for getting started, case selection, crafting instruments and protocols, entering the field, analysing data, shaping hypotheses, enfolding literature and reaching closure. Yin (2003:21) maintains that the following five components of research design in case research are especially important:

- a study’s questions
- its propositions, if any
- its unit(s) of analysis
- the logic linking the data to the propositions
- the criteria for interpreting the findings.

This research project has studied the phenomenon of brand alignment as an emerging concept in business that is not yet fully identified, conceptualised and adopted. Thus, the case is the phenomenon observed at an individual business level, with openness to sub–cases that may have emerged with details of particular manifestations of the phenomenon. The outcome of the research is a model that:

- articulates this phenomenon in a theoretical context
- extends the application of theory to understand the key concepts
- clarifies the relationships between the concepts
- enhances current theory and management practice.

In order to achieve this intended outcome, certain research questions and constructs were considered and these are now examined.

3.3.1.1 Definition of research questions and constructs

Perry (2001:308) suggests that research theory views range from almost pure induction through to almost pure deduction. This research project is inductive in nature and follows a flexible process as described by Eisenhardt (1989:532) in which the research project is commenced as close as possible to the inductive ideal of no theory under consideration and no hypothesis to test, allowing the literature to enfold around the data while it is being collected and analysed.

Miles and Huberman (1994:17) suggest that any researcher, no matter how unstructured or inductive his/her views, arrives in fieldwork with some orienting ideas. At the commencement of this research project, something is known about the emerging brand alignment phenomenon, but not enough to forward a valid and reliable theory or model. The organisational architecture model as developed by Venter (2006:431) [q.v. Chapter 2, Figure 2.1] is considered as a framework for an approach to the brand alignment construct.

Yin (2003:14) strongly supports the middle ground of the induction to deduction spectrum, placing case research in the theory confirming and/or disconfirming territory. This suggests that a tight structure is set up before interviews are begun, with the posing of clear questions and the use of theories and reviews of previous research to develop hypotheses and rival hypotheses and the collection of empirical data to test such hypotheses. The use of the organisational architecture model (Venter 2006:431) has been contextualised against a sizeable body of existing theory as reported in the preceding chapters and has ensured a tightness to the questioning and approach to the development of instruments and the data collection and analysis process. Yin (2003:33) posits that the use of theory when conducting case studies is not only an immense aid in defining the appropriate research design and data collection, but also becomes the main vehicle for generalising the results of the case study.

As suggested by Yin (2003:15) and Miles and Huberman (1994:17), the research project tends toward the more structured end of the extremes of a loose, inductive approach and a tight pre-structured design. The research framework forms the basis of the conceptual framework for the dissertation and study direction.

The research aims to answer the question of how and why organisations align their internal operations, culture and people with their external brand promise in order to establish competitive advantage and create shareholder value. It questions the ‘how and why’ of brand alignment to optimise business performance and obtain competitive advantage as a primary question and a number of secondary questions in support of this. First, there is the matter of how organisations ensure synergy between brand and business strategy. Second is the question of how organisations should ensure the synchronisation between the internal and external brand and why some fail to do so. Further, it probes the methods and approach that will enable alignment. Finally, it considers how and why brand equity theory and practice should evolve in line with this.

According to Cooper and Schindler (1998:37), a construct is an image or idea specifically invented for a given research and/or theory-building purpose. The constructs within this research project are brand alignment, employer branding, reputation management, corporate branding, internal branding, corporate culture, organisational behaviour, strategic intent and sustainable competitive advantage.

Brand alignment, in the view of the author, is the concept of integrating organisational behaviour, culture, structure, systems and processes in a fashion that delivers external organisational image and reputation as an embodiment of the overall business strategy, and gives rise to value creation through brand equity and competitive advantage, which is not easily replicated.

3.3.1.2 Selection of cases and sampling

Yin (2003:32) maintains that the underlying principle of case selection is the issue of replication. Several cases should be regarded as 'multiple experiments' and not 'multiple respondents in a survey'. This approach thus relies on analytical generalisation rather than statistical generalisation in which theory is used as a template with which to compare the empirical results of the case study. According to Yin (2003:33), if two or more cases are shown to support the same theory, replication may be claimed. This replication logic and not sampling logic is used for multiple case research.

Eisenhardt (1989:537) states that random selection of cases is neither necessary nor preferable. Building theory from case research relies on theoretical sampling where cases are chosen for theoretical, not statistical reasons (Glaser & Strauss, 1967). Eisenhardt also suggests the idea of polarisation. Because of the limited number of cases that can usually be studied, it makes sense to choose cases, which are extreme situations, or polar types in which the process of interest is ‘transparently observable.’ The goal of theoretical sampling is to choose cases which are likely to replicate or extend the emergent theory. This study has followed a deliberate sampling plan that has chosen polar types. Two cases represent clear brand alignment performance and two are contrast cases in that they either exhibit little or no brand alignment performance. This sampling plan was designed to build theories of success and failure and is thus able to contribute to the further development of theory.

Miles and Huberman (1994:27) write that qualitative samples are purposive rather than random, given that with small cases, random sampling can result in a decidedly biased perspective. They suggest that qualitative sampling is often decidedly theory-driven, either initially or progressively, as in a grounded theory mode, and this sort of sampling puts flesh on the bones of general constructs and their relationships.

Perry (2001:314) suggests that relevance rather than representativeness is the criterion for case selection and cases should be arranged to cover a range of types based on theoretical replication, that is, produce contrary results for predictable reasons (Yin 2003).

A collective study was therefore adopted, with purposeful theoretical sampling that has shed different perspectives on the problem. Target cases have offered a diversity of views, such as the following:

- organisations that appear to be adopting a brand alignment approach with a focus on best practice findings
- contrast cases, not exhibiting the above, or possibly only signalling future intent, against which to model comparison
- both services and resource-based businesses allowing possible generalisability across industry sectors

- organisations/businesses that bring South African, pan–African and international perspectives to bear.

The unit of analysis was the organisation – the participant firm, making provision for embedded cases in the form of departmental roles or comparison.
The sampling spectrum has allowed for within-case and multiple-case sampling. Eisenhardt (1989:545) is of the view that while there is no ideal number of cases, a number between four and ten cases often works well. She suggests that with fewer than four cases, it is often difficult to generate theory with much complexity and its empirical grounding is likely to be unconvincing. Miles and Huberman (1994:30) suggest that more than 15 cases renders a study unwieldy and Perry (2001:313) offers that the accepted range seems to fall between four and ten cases.

In the quest for strong theoretical replication and depth of understanding, this study has focused on four cases, working from an initial list of 20 entities on the basis of theoretical and purposive sampling, rather than random sampling. The focus fell on brand-driven companies as well as contrast cases. As mentioned previously, two cases are brand-aligned organisations, whereas the other two represent contrast cases. Theoretical saturation has occurred where marginal improvements in findings are small. While the case reporting is covered in detail in chapters 4 through 7, a brief overview of each case is offered here:

Case A is a contrast case from the financial services industry. It is an organisation with a considerable track record, but one that has experienced brand fragmentation under an aggressive growth strategy and recent corporate reputational challenges.

Case B is also a contrast case in the manufacturing sector. It is part of a global commodities group that has enjoyed growth in a demand led environment and has undergone significant challenges in a more competitive market, with regulatory-driven ownership changes.

Case C is a support case from the banking and financial services sector. It is an organisation that has used brand at the centre of its turnaround strategy and has demonstrated an interesting approach to an alignment of internal brand efforts with business re-orientation and support of its external brand promise to market. It has demonstrated competitive advantage in the process.

Case D is also a support case from the mining sector. It is a relatively newly formed entity, following an unbundling exercise and merger of four organisations in a sizeable empowerment transaction and stock exchange listing. It has displayed an interesting and category-leading approach to brand at the heart of its business strategy and internal culture building efforts; realising excellent results since its inception five years ago.

Concerning interviews, Perry (2001:313) offers experiential and anecdotal evidence that suggests that approximately 35 interviews in total, across the full doctoral study, are required to provide a credible picture in a research project of this size. Given that this research study necessitated several interviews at different hierarchical levels and departments within each case organisation, a final number of 69 interviews were concluded across the four cases. Perry (2001:314) suggests however that the researcher should not follow the rule without due consideration: ‘The validity, meaningfulness and insights generated from qualitative inquiry have more to do with information-richness of the cases selected and the observational/analytical capabilities of the researcher than the sample size.’

Respondents at each site were selected by means of purposive sampling, along with snowball sampling. Site-specific respondents varied across the cases in terms of organisational roles, but generally stemmed from the disciplines of marketing, human resources, corporate communications, organisational design, operations and line management. Hierarchically, they spanned the middle management, senior management and executive roles. To enhance contextual richness and minimise fragmentation (Foster 2004:230), all participants were interviewed in their normal working places. Semi-structured in-depth interviews were conducted in order to collect direct accounts of brand alignment experiences from the 69 respondents.

Development of instrumentation and protocols is considered next, whereas reliability and validity aspects of this research project are addressed specifically in Section 3.5 of this chapter.

3.3.1.3 Developing instruments and protocols

Theory-building research typically combines multiple data collection methods, not necessarily confined to interviews, observations and archival sources according to Eisenhardt (1989:537). The rationale is principally the same as in hypothesis-testing research: the triangulation made possible by multiple data collection methods provides stronger substantiation of constructs and hypotheses.

Yin (2003:14) supports this view suggesting that case research can involve qualitative data or quantitative data, or both. Yin maintains that the combination of data types can be highly synergistic. Eisenhardt (1989:538) describes this synergy as follows:

While systematic data create the foundation for our theories, it is the anecdotal data that enable us to do the building. Theory building seems to require rich description, the richness that comes from anecdote. We uncover all kinds of relationships in our hard data, but it is only through the use of this soft data that we are able to explain them.

The above view is highly relevant in the phenomenon under investigation. Brand alignment as a construct relies heavily on people issues surrounding culture, organisational behaviour and several other dynamic areas that require richness of meaning and interpretation. That said, Miles and Huberman (1994:35) suggest that if one is conducting a confirmatory study with relatively focused research questions and a well-bounded sample of persons, events and processes, the well-structured prior instrument designs are the obvious choice.

Although this study was exploratory in nature, some instrumentation was applied in order to develop the interview questionnaire. This encompassed the author’s view, theory triangulation from the emerging theory being studied, and the application of the organisational architecture framework as developed by Venter (2006:397). In this manner, a loosely structured but relevant set of questions was developed for the interview process and several adaptations to it were made during the data collection phase. In the light of the exploratory nature of the study, the grounded theory approach guided the analysis of the data with the expectation that concepts and themes related to brand alignment would emerge from the texts through inductive content analysis and the constant comparative method.

Multiple data collection methods were employed in this study and these included the semi-structured in-depth interviews, gathering of documentation and access to the quantitative studies being conducted by several targeted companies around the issue of brand adoption and organisational culture. Observation at each case site also enabled context in the writing up of cases. The triangulation made possible by multiple data collection methods provides stronger substantiation of constructs and hypotheses (Eisenhardt 1989:538).

Instruments included an interview guide and schedule of questions (as discussed above) emerging from the brand alignment thinking (Appendix 5). A contact summary form was used as a practical means of performing a first run data reduction and enabling the capture of thoughtful impressions and reflections (Appendix 6). The focus in the contact summary fell on the primary concepts, questions and issues emerging from each interview at the respective case site. A document summary form was used in instances where documents such as brochures, annual reports and strategy presentations were gathered from the site (Appendix 7). These forms placed the document in context, indicated its significance and provided a summary of it. A case analysis form was utilised to record salient impressions at each site, supporting or alternative explanations, the determination of next steps in the data collection process, and implications for coding (Appendix 8). Detailed case analyses are delivered in the main body of the report in chapters 4 through 7. The respective interview schedules are contained in Appendices 1 through 4. All interviews were recorded, with transcripts retyped for detailed content analysis and interpretation. Transcripts are contained as primary documents in the CD attached to this report, containing the full Atlas.ti software analysis for within-case and cross-case assessment.

Corner (1991:721) suggests that multiple triangulation offers flexibility and an in-depth approach that is not always available with simpler designs, so long as four principles are adhered to:

- The research question must be clearly focused

- The strengths and weaknesses of each method chosen must complement each other
- The methods should be selected according to their relevance to the nature of the phenomenon being studied
- Continual evaluation of the approach should be undertaken during the study.

The dynamic nature of the study of an emerging phenomenon lent itself to a combination of interviews, document retrieval and observations at each site. The research questions were put through several rounds of development throughout the data collection and analysis phases. The questions were constantly refined and narrowed to ensure a single-minded focus. Interview findings were compared to documentary evidence and insights, as well as observations made during relevant site meetings that were attended. Constant field notes enabled the analysis and interpretation of findings; the data gathering and analysis took place concurrently, cycling back and forth between the two. The approach and development of instrumentation during this report was dynamic and constantly evolving, based on what was going on at the site and when changes or improvements to the process were required.

3.3.1.4 Data collection

Eisenhardt (1989:538) suggests that a striking feature of case research to build theory is the frequent overlap of data analysis with data collection, citing Glaser and Strauss (1967) who argue for joint collection, coding and analysis of data. She also offers the view that field notes constitute an ongoing stream-of-consciousness commentary about what is happening in the research, involving both observation and analysis – preferably separated from one another. She further asserts that overlapping data analysis with data collection not only gives the researcher a head start in analysis, but also allows the researcher to take advantage of flexible data collection in the form of controlled opportunism, rather than a license to be unsystematic.

The formal process of developing the coding scheme began shortly after the first few interviews and was constantly evaluated throughout the process of data collection, further coding and data analysis. Subsequent coding took place by constantly comparing current transcripts with previous ones in order to allow the emergence of categories and their properties. As the coding proceeded, additional themes and activities emerged, which had not been considered initially, and that enabled development of a brand alignment model and approach.

Although data collection, coding and analysis were conducted by the author alone, a process of professional peer discussion and review was conducted to solicit opinion on the research process. This approach was maintained throughout the data analysis phase of the study allowing for the thorough confrontation of data and identification of key themes, as they emerged in the process. This peer group comprised brand, internal brand and research practitioners. A review on each of the individual cases was conducted, aiding in the confirmation of interpretations, coding decisions and the development of categories. Coding consistencies were examined by the research team to ensure that the coding rules and iterative process developed by the author provided coding consistency. Review sessions were also held during the within-case and cross-case analysis with members of the brand group and the author to examine the reconstruction of meanings derived from the data, and to jointly review and discuss the exploration of properties, the dimensions of categories, to identify relationships between categories, uncover patterns and test categories against the full range of data. Reviews were conducted at the outset of the case, midway through the analysis, and again at the conclusion of the case in order to confirm the author's interpretations. This approach was also adopted during the cross-case analysis phase.

3.3.1.5 Data analysis

Miles and Huberman (1994:9) offer a series of analytical methods to be considered across the many qualitative research processes. These are set out in the following sequential series of actions:

- Affix codes to a set of field notes drawn from observations or interviews.
- Note reflections and other remarks.
- Sort and sift through these materials to identify similar phrases, relationships between variables, patterns, themes, distinct differences between subgroups and common consequences.
- Isolate these patterns and processes, commonalities and differences and take them out into the field in the next wave of data collection.
- Gradually elaborate a small set of generalisations that cover the consistencies discerned in the database.
- Confront the generalisations with a formalised body of knowledge in the form of constructs or theories.

The analytical tools proposed above were adopted in an inductive process within the interpretivist approach to ensure rigour in the development of grounded theory. In considering the practical aspects of analysis, the following approach was applied:

- Audio files of interviews were transcribed into text documents, which served as the primary source of data for content analysis.

- Each transcript was closely read and annotated, with reference to field notes. Texts were unitised and concepts were highlighted and labelled.
- Early coding took place manually that enabled speedy sense making and facilitated the cycling back and forth between further coding, early analysis and continued fieldwork.
- Coding units were defined as a group of words that could be coded under a criterion category. Some word sets attracted multiple code allocation due to the extent of their relevance and impact.
- As the research data grew in scale and manual analysis became challenging, the adoption of Atlas.ti software was utilised. This software was used for coding data, retrieval of text, effective merging of codes and for the generation of network views to establish emergent code visualisations and their relationships to each other.
- Interview transcriptions and all other electronic documentation such as annual reports and strategic presentations, were inserted as primary documents in independent hermeneutic units, enabling focused within-case analysis.
- A separate hermeneutic unit was created in which the cross-case analysis was conducted.
- The Atlas.ti software made it possible to track the evolution of the analysis and enhance the credibility of the findings through the auditability of the research project. A comprehensive electronic data analysis summary, in an html format is attached to this report as a CD annexure.
- Where verbatim data extracts are utilised during the within-case and cross-case report writing in subsequent chapters, the following data reference system is utilised throughout. For example, (24:12:68) refers to primary document 24, quotation number 12 and line 68.

Miles and Huberman (1994:172) suggest that it is customary for case analysis always to precede cross-case analysis because the former provides the data for the latter. Cross-case analysis suggests some form of content analysis through a process of coding data into groups — these were determined by adopting the key research issues at the outset of the data analysis phase. They further strongly recommend (1994:10) early analysis to help the researcher cycle back and forth between thinking about the existing data and generating defined analysis as the following three concurrent flows of activity:

- Data reduction – selecting, focusing, simplifying, abstracting and transforming data that appear in written field notes and transcriptions.
- Data display – organised, compressed assembly of information that permits the drawing of conclusions.
- Verification – the meanings emerging from the data have to be tested for their plausibility, relevance and validity.

Perry (2001:316) suggests that the use of prior theory to set codes allows such theory to be emphasized again in the data analysis phase of the report, also using it to develop a tight structure to categorise interview sub-sections of a report of the data analysis. Although theoretical replication is the key in case selection, it also aids the rigorous reporting of case data analysis.

Eisenhardt (1989:541) encourages cross-case searching tactics to prompt researchers to go beyond initial impressions in order to improve the likelihood of accurate and reliable theory. She suggests that cross-case searching tactics will enhance the probability that the researcher will capture novel findings, which may exist in the data.

This study adopted thorough within-case analysis prior to cross-case analysis. These frameworks for analysis are appended to the research report and are also reinforced in the relevant case chapters of this report. All sources of information gathered, in addition to the Atlas.ti software analysis and files are archived, and all material gathered, including magazine articles, firm documentation and cultural artefacts have been retained in an audit-ready format. This process accommodates the principle of triangulation, to examine the same phenomenon from multiple perspectives and enrich the research understanding by allowing for new or deeper dimensions to emerge.

3.3.1.6 Shaping hypotheses

From the within-case analysis plus various cross-case tactics and overall impressions, initial themes, concepts and possibly even relationships between variables begin to emerge (Eisenhardt 1989:541).

The key issue here is the constant comparison with theory and data, suggesting a shift towards theory that is manifest in the data. Eisenhardt (1989:541) suggests that a close fit is important for building a good theory because it takes advantage of new insights possible from the data and yields empirically valid theory. She further offers a two-step process to sharpen constructs as a means for shaping hypotheses:

- refining the definition of the construct
- building evidence which measures the construct in each case.

This occurs through constant comparison between data and constructs so that accumulating evidence from diverse sources converges on a single, well–defined construct.

In the process of this study, continuous measuring of constructs and verification of relationships was conducted to ensure that hypotheses were shaped to deliver theory-building research. Extended engagement in the field at each of the sites, ongoing observation, data triangulation and negative case analysis were conducted to facilitate the theory building. The analysis process was inductive and took a grounded theory approach, enabling a qualitative study of this nature to support the development of new theory and a new model in the approach to brand alignment.

3.4 Limitations of the study

Miles and Huberman (1994:2) identify several of the key limiting issues that pertain to qualitative research:

- the labour intensiveness of data collection
- frequent data overload
- researcher bias
- time demands of processing and coding data
- the (in)adequacy of sampling when only a few cases can be managed
- the generalisability of the findings
- the credibility and quality of the findings.

The nature of the research undertaken has undoubtedly been time consuming and a disciplined approach has been necessary to conclude this project in 2011. Extensive time was spent in the field as well as in the analysis process and the labour intensity of data collection and analysis translated into a lengthy study. Atlas.ti software was deployed to aid the efficiency and quality of the data analysis phase. Researcher bias was mitigated through the peer review process adopted and described in Section 3.3.2.4, and the credibility of the research findings was verified by the fact that most criteria were mentioned by more than one respondent and in more than one case, included a contrast case approach. Theory saturation was achieved as the mentions of criteria became increasingly redundant. Access to the target organisations did not pose a problem, however a confidentiality agreement was offered should there be sensitivity to the disclosure of specific information. This was not exercised by any of the case organisations who all participated openly.

Notwithstanding the challenges of this project, Miles and Huberman (1994) also record the strengths of a comprehensive qualitative study:

- The study focuses on naturally occurring, ordinary events in natural settings, resulting in a solid perspective on what ‘real life’ is like.
- Local groundedness – data are collected in close proximity to a specific situation and the emphasis is on a specific case, a bounded phenomenon embedded in its context.
- Richness and holism is a feature with the strong potential for revealing complexity. Such data provide ‘thick descriptions’ that are vivid, nested in a real context and have a ring of truth that exerts a strong impact on the reader.
- There is an emphasis on people’s ‘lived experiences’, which is essentially well suited to locating the meanings people place on the events, processes and structures of their lives – their perceptions, assumptions, prejudgments and presuppositions.

Given the extended time in the field, the selection of both support and contrast cases and the extent to which each case contained multiple interview respondents and multiple sources of data, the net result is a comprehensive base of information from which to draw analysis. The approach has resulted in the development of new theory and models, while providing thick descriptions of particular settings and phenomena within a social reality. In essence, while the study has a strong exploratory spirit with the attendant limitations thereof, it presents a dynamic and exciting opportunity to deliver new insights and theory.

3.5 Reliability and validity

Lacity and Janson (1994:149) offer this view of validity:

> *Ultimate proof of an idea or theory is its acceptability to common sense. An important test of validity is liking an idea, feeling right about it, being able to use it to throw light on a previously hidden aspect of organisation. Objective proof seldom will exist somewhere outside one's self that will demonstrate correctness or validity. No statistical test will do this for us; no amount of replication will make acceptable an idea that does not square with experience.*

The question that reliability poses is this: if the study was repeated, would the same result be achieved? Validity on the other hand, questions whether we really are measuring what we think we are measuring. The approach of interpretivism rejects the notion that frequency is an indicant of importance and suggests that validity checks are largely based on the acceptance of the scientific community. If fellow scholars find meaning in the research, it is deemed valid and worthwhile (Lacity & Janson 1994:149).

Miles and Huberman (1994) purport that the issues of validity and reliability in qualitative research vest in the skills of the researcher, who is essentially a person more or less fallible, who is observing, interviewing and recording, while modifying the observations, and interviewing by means of recording devices in various situations. They provide the following guidelines to researcher-as-marker in a good qualitative study:

- some familiarity with the phenomenon and the setting under study
- strong conceptual interests

- a multi-disciplinary approach, as opposed to a narrow grounding in a single discipline
- good investigative skills, including doggedness, the ability to draw people out and the ability to avoid premature closure.

In the process of this research study the author has endeavoured to demonstrate validity through rich descriptions, thorough analysis, triangulation of sources and methods, peer review and participant review. Authors such as Miles and Huberman (1994) have discussed the issue of validity, reliability and objectivity relating to qualitative research. Some additional commentary is offered in this section before concluding the research methodology section of this thesis. The additional commentary relates to the notion of trustworthiness as proposed by Lincoln and Guba (1985). They suggest the following criteria for evaluating research work conducted within an interpretive paradigm: credibility, transferability, dependability and confirmability.

'Credibility' refers to how the construction of the researcher relates to the realities and views of the enquiry's respondents in the phenomenon under study. Lincoln and Guba (1985) recommend a set of activities that help to improve the credibility of the research results. These include prolonged engagement in the field, persistent observation, triangulation, negative case analysis, checking of interpretations against raw data, peer debriefing and respondent checking. Data were gathered across four sites spanning the period of 2007 to 2009, with extended observation at certain sites until 2011 and into the period of thesis finalisation. This period met the suggestion by Vallaster (2004:110) that prolonged observation can be 'defined' as spending five to six months at a site. Engagement was therefore prolonged and persistent, and much was harnessed by the researcher in terms of organisational insight and depth of information. The data generated was significant and contained thick descriptions. Data triangulation occurred throughout the course of the study and although a single researcher was deployed throughout the study, which is not unusual for such studies, professional peer reviews and debriefings were periodically conducted in relation to coding and analysis to aid the logic of the researcher. These sessions were conducted by team analysis of the coding conventions, consistency and analytical framework applied, and included both research and brand practitioners. Some respondent checking was conducted and several respondents were interviewed a second time to ensure clarity of data and interpretation thereof, and as a basis for the looping of respondent feedback. Coding the knowledge and experience was aided by the use of Atlas.ti software, supported by appropriate technical advisory material relating to its usage and tutorial matter. Negative case analysis was also utilised in the form of two contrast cases in the process of case selection and analysis. The credibility of the research findings was also verified by the fact that most criteria were mentioned by more than one respondent and at more than one site. Theory saturation was achieved as mentions of criteria became increasingly redundant.

'Transferability' refers to the extent to which a researcher's findings in one context can be applied to another one. Lincoln and Guba (1985:298) posit, however, that it is not the researcher's task to provide an index of transferability, but to bear the responsibility for providing data sets and descriptions that are sufficiently rich to enable another researcher to make judgements about the transferability of the findings to different sites or contexts. As referred to above, the data in the analysis is extensive, sufficiently documented and significant thick descriptions exist to meet the requirements for transferability.

'Dependability' refers to the qualitative researcher's equivalent of replicability, which is a nearly impossible notion in a theory building study such as this, due to its flexible design. More appropriately, it is considered as the sense making and researcher account for changing conditions in the phenomena. According to Lincoln and Guba (1985), such changes and shifts are indicative of a successful enquiry, provided they are tracked and traceable. The use of Atlas.ti software in this study has enabled extensive electronic note-taking and memo usage that has full traceability to dates, links, explanatory notes and descriptions, thus enabling dependability of the findings.

'Confirmability' is concerned with establishing the extent to which the data and interpretations of enquiry can be confirmed by others who read or review the research results and establish that they are not a function of a researcher's imagination. The major technique for establishing this is through an audit of research processes and findings in a way that assertions and interpretations can be linked to the data themselves. While an independent audit of this research has not been conducted, a full digital record of all data will be made available with the final submission of this thesis. This will contain original transcripts in the form of primary documents and a full electronic audit trail of coding, code families, memos, memo families, networks and network families in an html format in order to enhance trust in the confirmability of the data and the logic of interpretation through full transparency of information.

As a final point, the identities of the case organisations have been disclosed with the permission of participating companies in the initial case backgrounds, and for ease of simplicity were referred to in an abbreviated form thereafter. Although confidentiality agreements were offered to each participating organisation, all were comfortable with disclosure and are recipients of the final report. Individual identities of executives and managers, however, have been made anonymous to ensure openness of commentary and full disclosure of key points of view. The ethicality of the work is thus protected.

Eisenhardt (1989:548) suggests that theory derived from case study research is likely to possess important strengths like novelty, testability and empirical validity, which arise from the intimate linkage with empirical evidence. It is thus well suited to new research areas or research areas for which existing theory seems inadequate. Eisenhardt also maintains that strong studies are those that present interesting theories meeting the test of concept development and being grounded in convincing evidence, concluding that the accumulation of knowledge involves a continual cycling between theory and data and in turn from data to theory. The author trusts that this has been achieved in this work.

Researcher bias according to Yin (2003:62) can be balanced by openness to contrary findings in contrast cases. This has been achieved in this study with an equal approach to both support and contrast cases, and was further mitigated by the deployment of the peer review and evaluation methods described in Section 3.3.2.4. Additionally, data triangulation and the constant comparison method were adopted throughout the data analysis phase. It is the author's view that, consequently, a high level of objectivity is embedded within the research.

3.6 Ethical considerations

No significant ethical issues were encountered during the course of this study. Some sensitivity toward information sharing was anticipated, as alluded to earlier and confidentiality, anonymity and non-disclosure agreements were offered where necessary, without this influencing the quality of insight, information gathering and analysis. Whereas firm identities have been disclosed with consent as a part of the case descriptions, individual respondents have been kept anonymous to protect confidentiality, as mentioned in Section 3.5 above. The focus therefore fell on informed firm consent and individual confidentiality.

Particular attention was paid to any case selection within competing industry sectors and this was avoided. In the final selection, all participating companies were comfortable with the study and took part with full disclosure and none of the above-mentioned measures was necessary, thus allowing for access to all requisite insight, information and documentation.

An objective approach has been adopted by the author in order to mitigate against the potential of bias; possible further researcher triangulation or a full research audit are still possible. Peer review and robust academic interrogation will ultimately inform the acceptance of these findings in practice and within the scientific community.

3.7 Conclusion

Theory developed from case study research is likely to possess important strengths like novelty, testability and empirical validity, which arise from the intimate linkage with empirical evidence. Given the strengths of this theory-building approach and its independence from prior literature or past empirical observation, it is particularly well suited to new research areas or research areas for which existing theory seems inadequate (Eisenhardt 1989:549).

The above extract summarises the opportunity presented in this research design and methodology chapter and motivated for an adoption of the project against its initial intent. Strong studies are those that present interesting or frame-breaking theories meeting the tests of good theory or concept development and being grounded in convincing evidence

(Eisenhardt 1989:549). It is the researcher's view that this has been achieved.

CHAPTER 4 – CASE A: FINANCIAL SERVICES STUDY

4.1 Background

4.1.1 The business

In early 2007, Alexander Forbes, under the leadership of the newly appointed chief executive, embarked on a revisit of their brand following a series of reputational challenges and a desired shift in their business strategy. They had been implicated in a series of corporate governance lapses, the most dramatic of which was the disclosure of 'bulking' practices within the industry, a matter which had quite serious reputational consequence to the business. During his tenure, much had been done to restore transparency and open dialogue with the media and all stakeholders; the subsequent intent was to re-examine their brand with a view to rejuvenating it in line with future strategy.

Alexander Forbes is a financial services business with focus areas in risk management and insurance, investment solutions and financial services across a spectrum of retail and institutional clients. The company has a substantial track record spanning in excess of 100 years in the industry. The business appeared to have a strong system and technology legacy and a high sales orientation. Marketing and branding, on the other hand, appeared fragmented and a stable of brands existed within the group including high performing businesses such as Investment Solutions and specialised entities like Guardrisk and Fihrst.

The new CEO and his exco team had embarked on a strategic shift to better align the independent businesses around what was defined as the 'One World' strategy, encompassing a one-stop-shop, unlocking internal synergies, cross-selling and up-selling, while delivering an improved basket of solutions to clients. The intention appeared correct, but the reality translated into something quite different.

Note to the background:
'Bulking' refers to the practice in which aggregated interest returns on investments are retained by the company rather than passed onto the individual investor directly. This was commonplace in the industry until recent regulatory and consumer protection legislative changes occurred.

4.1.2 The brand

From a brand specific perspective, considerable change was being proposed at this site. It had historically traded with a group brand and certain units within the business were aligned with this brand identity. Through years of organic growth, acquisitions and innovative product development, it has also developed a considerable portfolio of independent subsidiaries with matching stand-alone brands. The net effect was a diverse portfolio of somewhat fragmented brands and offerings to market, with no unified brand strategy or market message. The business challenges and change of executive had brought about a desire to alter brand course and consider unification under a single brand, to improve general brand orientation, optimise spend and build market reputation behind what was arguably a formidable business. The reputational challenges to the business had not aided brand strength and a renewed and rejuvenated brand was intended to signal change injected by new leadership, in line with a renewed strategic direction for the organisation.

The company, however, lacked a commitment to brand and marketing, evidenced by there being no central function dedicated to this, with fragmented efforts taking place within each of the operations. The strong sales and customer service culture overshadowed the marketing and the little effort that was accorded to brand resulted in very disparate and fragmented messages, positioning and brand definition. The new chief executive had stemmed from a more market oriented environment and was clear with regards to the need to make changes — to better unite under a more single-minded proposition and consider a consolidated brand portfolio, as well as to direct a critical effort to the restoration of reputation. Central on his agenda was how this would impact the internal organisational confidence.

The initial efforts were short-lived due to a further change of ownership and another two chief executive appointments. At the time of finalising this thesis, the business had stabilised, again under new leadership with a clear drive evident regarding the external group brand. However, this continues to be splintered across divergent subsidiary efforts and thus represents a further evolution of the brand strategy.

4.1.3 The approach

A comprehensive series of interviews across executive and senior management structures was conducted at the site, representing a spectrum of group business units as well as subsidiary companies. This covered local, regional and international samples for which telephonic or video conferencing facilities were used where necessary to interview international respondents. Research and strategic documentation were made available as data for analysis at this site and regular attendance and participation at company conferences, certain exco meetings and executive workshops enabled rich data gathering and observation. Table 4.1 summarises the data gathered in the analysis of Case A.

Table 4.1: Data gathering Case A

Data Source	Description
Interviews	20 Interviews were conducted during 2007. These were selected from senior and executive management across several subsidiaries in South Africa and Europe/UK.
Documents	Several strategy documents, sales and marketing brochures, annual reports and research reports were utilised to construct case description and aid the analysis of data. A total of 12 documents were selected for analysis.
Observations	Attendance at certain exco meetings, executive workshops and company conferences during the period of data analysis from 2007 through 2011 – 9 events were considered for observation.

Case analysis was conducted by means of the examination of a number of core themes that would deconstruct and assess the overall approach to brand as a strategic tool and the alignment of the internal and external brand in pursuit of competitive advantage. In order to unpack this, the overall brand context was first examined, followed by the extent to which brand was both influenced in the business or served as an influencing factor. A consideration of the internal to external brand link followed this and an examination of structure as an enabler or obstruction in the business was also evaluated. In conclusion of the analysis, an assessment of the impact that the brand exerted on the business was conducted as well as the consideration it would play in the future strategy of the organisation. In conclusion to each case, a summary was drawn as to the status of the case as either a brand alignment support case, if positive; or a contrast case, if concluded as being negative.

4.2 Brand context

The early analysis of the case examined the general approach to branding, the extent to which brand was deployed as a strategy within the company and an assessment of brand as a catalyst across other initiatives within the case.

4.2.1 Lack of brand approach

A large number of respondents felt that the company had historically lacked a strong brand orientation and many were critical of the extent to which brand had been adopted in the business:

> *We cannot claim to be brand aligned or oriented. You will find evidence of some supportive marketing activity and external expressions of our brand, but nothing that suggest we deploy it as a central part of our business strategy. (11:39:103)*

The considerable track record of the company notwithstanding and the challenges of the bulking scandal aside, the business had performed well over the years and had achieved much, across a number of business areas and geographic markets. It was consistent however, that a brand approach was not amongst its core strengths, as offered by a senior executive in the United Kingdom operation:

> *We have tremendous talent and capabilities across the business but I am afraid to say that a cohesive and well organised brand is not one of them. (21:42:106)*

This general lack of brand orientation, however, is subsequently addressed in the context of an acknowledgement that brand as a strategy was lacking in the business and was likely to play a heightened role, given some of the emergent changes that were taking place.

4.2.2 Sales and performance orientation

The lack of a brand approach appeared to be a function of a strongly entrepreneurial culture based on the origins and history of the business. This was exacerbated by the sales driven nature of the traditional insurance industry and although the business had evolved considerably since its inception, this historic culture still prevailed. It became evident that this existed at the expense of a brand orientation and certain key challenges had begun to emerge.

The highly evident sales orientation is highlighted below in an extract from interviews with senior executives in both the South African and United Kingdom markets:

> *We are a strongly sales led organisation and this has always been our primary focus - perhaps at times to our detriment. (14:12:57)*

> *Based on what I have just said I would say we are more sales driven than brand oriented. Perhaps a long term shift toward a more brand led company could help create part of the business change we seek in the form of pull within the market; but in the near term we are part of an industry that pushes product through the sales process in a very direct manner. (21:12:50)*

The performance orientation is manifest in a number of different ways and is highlighted across a range of different business dimensions, based on the respondent’s area of responsibility and particular function. In part, the performance is a result of the entrepreneurial nature of the business and a well established historical culture, as expressed by this human resources executive:

The business has a strong entrepreneurial and can-do culture and a strong bias for selling and customer service. If you bring these together, you do have a business that is sales and service orientated, but this is not necessarily a result of internal branding and is a more historic or traditional culture. (10:20:63)

A further aspect of this mindset is based on the nature of the broader financial services industry where investment returns, risk management and a strong customer service focus also come into play as priority areas for emphasis in the business. Senior global executives within the investment subsidiary of the group, make this point specifically:

Brand therefore is the communication of our performance rather than the other way around. Our ability to deliver sustained results to our clients is our raison d'etre and it lies at the heart of our business philosophy and strategic goals. (17:11:49)

Our results come from good customer service, managed risk and consistent returns. These are the primary drivers of our results rather than the role of brand. (19:41:101)

Whilst this culture is prevalent and has formed the basis for the historic performance of the business, there is wide recognition, triggered by the bulking scandal, the change in leadership and pending change in ownership, that the time was right for a shift in the overall thinking with regard to brand.

4.2.3 An intention to brand

The new leadership in the business and the significant shifts taking place both within the company as well as the industry, however, were giving rise to a groundswell of emergent thinking around the increased importance of the role that brand could play in the business. The first evidence of this new priority is quoted directly from the CEO:

> *We need to significantly improve our brand orientation both from an investment perspective as well as a mindset and strategy in the business. We have come from a historically sales driven and entrepreneurial culture, so marketing and branding has never been high on the agenda. (9:15:55)*

This statement of intent was echoed by the group financial director who ironically had many years of service under the old guard and manner of functioning, but was nevertheless fully supportive of the new CEO and his stated direction for the business:

> *I suspect that we will be more closely aligned as a brand throughout the group and also believe that brand will play a more central role in our business strategy. (11:41:115)*

The debate about whether the intent was reactionary or proactive is not really the issue here. The bulking scandal had triggered a certain dynamic in the market and media, but the company possessed the tenacity and capacity to deal with that, born from a 100 year track record. This matter ultimately came down to a combination of issues centred around shifting industry dynamics and markets and the intent of new leadership, expressed here by the executive responsible for strategy:

> *It is fair to say that we do aspire to being a brand led business and it is high on our list of priorities and in alignment with our new strategy and vision for the business, so you could argue that we have the intention. (12:11:52)*

Notably, the seismic industry shifts taking place within the retail side of the financial services industry had triggered both a need to respond to rising consumerism and had also highlighted massive growth opportunities for the group, in both the South African and European markets, specifically, the United Kingdom:

> *There is a lot of talk about a more aggressive shift into the retail segment and this could be a game changer in our general approach to brand and our orientation as a whole - this may require a quantum shift in thinking. (19:42:101)*

These findings conclude the overview of the general brand context at this site, best summarised as an organisation traditionally lacking in brand orientation and underpinned by a legacy of entrepreneurial spirit, sales and performance orientation. Suffice to say that there was strong evidence of a shift in thinking towards a more brand oriented era, triggered by a range of business and industry imperatives.

4.3 Brand influence

The inter-relationship between organisational values, culture and the role of leadership is well documented (Schein 2000; Thornbury 2003 and Barrett 2006). These dynamics were probed and explored looking at patterns between the role of leadership and the influence of brand; how this relates to organisational values; and how they in turn relate to or interact with the overall culture generally.

4.3.1 Leading the internal brand

Alexander Forbes had experienced a series of leadership changes over the years, which created a high level of instability in this area. Nevertheless, strong senior management and a long-standing track record in the business appeared to hold the momentum intact. The case data revealed clear indicants of who should be responsible for building the internal brand and the impact of leadership on the internal brand building process. Responsibility for internal branding was led by the CEO himself, declared in a statement drawn from his interview:

> *I don't doubt that I will have to get heavily involved and to an extent lead some of the momentum and change to ensure that we take it seriously and commit to it across the business. (9:37:95)*

Members of the executive committee were also clear with regards to the CEO role in the internal and external brand approach and considered themselves as a part of the process. This notion is supported by the comment from the newly appointed executive responsible for group strategy:

> *...[the CEO] is a definite brand man and it features prominently in his thinking and language so I have no doubt we will see a change in this area. He is beating his drum at an exco level about the need to up our brand approach and investment as part of our reputation fight-back. (12:34:93)*

The structure of the group involved several subsidiary companies operating with high levels of autonomy, each with independent managing directors reporting to the group CEO. Highly skilled technical executives, while suited to the management role, however, were at times challenged by both the composition of the business and their own leadership styles:

> *...[the divisional managing director] is a very open and engaging person and he does live the values of the brand internally, although he does this subliminally rather than as a brand conscious style of leadership. (13:35:93)*

The executive team as a whole were implicated as carrying a level of responsibility for the future direction of the brand and the messaging suggested that a collaborative and integrated approach would be necessary internally to ensure future success:

> *I think the executive team will need to embrace it heavily and push it through the bu*siness and we will need to have a coordinated group approach involving *HR, marketing and communication. (10:35:87)*

In spite of the fragmented nature of the business structure, separate brands and operating companies, and the geographic spread across the group, it appeared that there was a reasonably high level of executive cohesion, possibly stemming from the turmoil initiated by the bulking issue and evidently as a result of new overall leadership in the business. An acknowledgement of challenges in the business over the past was balanced by a general declaration of intent to the future and an acknowledgement of the leadership responsibility for building the internal brand:

> *I see it as a part of a leadership team's responsibility. If vision, purpose and values are a part of your business strategy then the leadership group is responsible for activating this, communicating this and perhaps most importantly, demonstrating it – I guess this is the talk around living the brand. (15:28:92)*

The impact of leadership was felt throughout the business and the case for change was strong. It had proven to be both challenging in the past, which was also acknowledged as key to the future development of the brand internally, and externally, to the organisation:

> *We are a bunch of accountants, actuaries, lawyers and analysts so we are not the most brand literate, but are aware that our reputation is key in this new world and giving people a strong identity and cause internally will allow us to*

travel this path of aligning interests; so I guess we are on the journey. (14:45:99)

The leadership team has historically held up and lived the brand, but this is impacted by the nature of the industry, some challenging personalities and egos and a fragmented business at times. (21:33:90)

There has been a lot of leadership change in the business over the years but they have always been strong leaders with a driven, entrepreneurial and sales oriented approach - very positive, but particularly directed. (23:32:92)

The leadership challenge would prove to be compounded at this site with a formidable change to the executive structure following a change in ownership, after the immediate period of interviews and data collection. Late in 2007, the CEO departed, followed by a number of senior executives in early 2008. Continued observation at this site through ongoing monitoring and active involvement at one of the subsidiary entities allowed close tracking of the developments. The company dealt with the challenges of the global economic crisis throughout 2008 and 2009 and the new CEO announced a 4 year revival plan in 2010. At the time of final analysis and writing of this thesis in early 2011, the new brand had been unveiled to the market, several subsidiaries had been sold off, and others were repositioned with stronger, independent brands of their own, notably the highly specialised and successful multi manager business.

4.3.2 Building organisational values

It was clear that the definition of values differed dramatically throughout the business, dependent upon the role, the area of responsibility, in which subsidiary the respondent was located, and the geographical location of the person. Values were defined or commented upon based on a set of historic perceptions or a sense of current context in the case of several new senior executives. By way of example, the following is an executive view from the holding company:

> *There is a well-defined AF way in the business that sets out to ensure that people are aligned to a set way and standard. Service excellence, sound advice, integrity in our dealings and investment performance are all pillars of our business and something we aspire to upholding across the network; (16:25:85);*

and juxtaposed against one from within a key subsidiary:

> *We are a high performance business preoccupied with an obsession with detail, strong customer service orientation and a unique ability to blend asset managers through an intelligent investment approach. This is well understood throughout the business and underwritten with strong codes of conduct around governance, integrity, professionalism and sustainability. Our walk matches our talk. (19:26:77)*

This state of flux and change within the business was the driver for a new initiative regarding the definition of values throughout the group by the new human resources executive. It was a work in progress at the time of data collection and was being conducted group-wide across all employees in all the subsidiaries, across all the markets. The intention was to consolidate and agree on a defined set of core values, and ultimately behaviours, across a disparate group of companies entrenched in a strong entrepreneurial manner of functioning and with evidence of a number of sub-cultures brought about by independent people, businesses and brands across the group:

> *Values definition and alignment in the business is deemed essential to a change process and adoption of the One World strategic framework - we*

> *really do need to come together and get united behind a common cause and purpose. (12:30:81)*

The values initiative underway was summarised by the group strategy director who was working very closely with the human resources executive:

> *The new model being deployed is a collaborative values defining and voting process from which we draw a formula of both positive and negative values and behaviours in the business. These are visualised creatively throughout the business and brought to life in a number of ways, driving values communication and adoption into the business. (12:31:85)*

Shared meaning, communication and understanding of the organisational values was very fragmented throughout the company and was again a reflection of geographic spread or subsidiary attachment. At a group holding company level, this was openly declared and a commitment to the process of addressing this was evident. The desire to define and communicate values was inspired by the need to restore organisational confidence against the backdrop of the bulking issue and to drive unification behind a common business cause. It was suggested that a clearer definition of values could also better align supportive behaviours and provide a basis for culture measurement in the future. The human resources director articulated her view as follows:

> *Historically they have been anecdotal and reliant on corporate story-telling whereas we are now trying to crystallise them, record them, make them highly visible throughout the business, act on them and then measure their effectiveness across the business. (10:31:79)*

What was interesting however, was the level of clarity or cohesion in some of the operating subsidiaries. Whereas the group appeared fragmented and lacked an explanation regarding consistent values, several of the smaller subsidiaries were a lot clearer and more aligned. The nature of the highly decentralised and independent business units, with operating companies and brands of their own appeared a lot more aligned, albeit with their own set of values and at a level of disconnect with the parent company. In many instances, the headcount of the subsidiaries was relatively small, one having only 25 people in its office. This gave rise to strong sub-cultures and cultural positions that were detached from the holding company:

> *The business is small enough for the message to be concise and well communicated and the values are well understood and propagated through the business. (13:29:81)*

> *Many of us in the senior team have been here since inception of this business and we have been able to shape and mould this over the journey into something that we all instinctively believe in. We are passionate, absolutely meticulous, sensible about risk and driven to derive results for clients. This keeps us pretty well aligned and certainly highly focussed. (17:21:77)*

Whilst this was not negative in isolation and could arguably be perceived as a strength, it was at odds with the emerging strategic intent of the business to align under the ‘One World’ strategic framework for growth, that would witness a coming together of the businesses to optimise operating synergies, develop single views of clients and drive further growth through the optimisation of cross-selling and up-selling across the customer base.

4.3.3 Predominant cultures

Organisational values were linked directly to predominant cultures in the business. Whilst there were several initiatives underway to shift values and culture going forward, there was a clear sense of the dominant influences directly impacted by priority values:

> *They are almost less defined and more embedded in the business, but are really restricted to the three things - sales, entrepreneurship and performance. You might add customer centricity as a fourth. (11:31:80)*

A thorough analysis of detailed culture nuances falls outside the scope of this thesis as the issue of focus becomes important. Suffice to say that the above extract is fairly accurate in that it reflects the core cultural themes extracted during the data analysis, with one additional core theme emerging.

In the first instance, a dominant sales culture is highly prevalent in the business. This was a function of the nature of the insurance industry, from which this business was initially developed, through to the strong entrepreneurial culture that has traditionally prevailed in the company:

> *We often say that our product is sold and not bought and therefore marketing and branding has never been a top priority in our industry or business. We have opted for the sales-led culture which focuses on aggressively getting product and solutions into the hands of customers. (20:10:52)*

> *We have a strong sales culture in the business and it is imperative that we retain and build on this as it does give us a strong competitive edge. (26:11:45)*

An extremely strong performance focus also emerges from the data at this site. This appears to tie back to the sales and entrepreneurial cultures of the business, which was accentuated by the nature of investment management and market cycles. It is a highly measurable and trackable industry which employs highly analytical people; the net effect is that statistics, financial modelling and measurability are the order of the day, with reward and recognition tied directly to clear performance indicators:

> *Performance expectations are clear throughout the business and are basically informed by a client-led view that demands consistent, top quartile returns, mitigated by a low risk management profile. (19:18:61)*

> *Performance, results and supporting behaviours are embedded in our performance contract and the culture of the business - this is very clear from the time of recruitment and on-boarding and is embedded in kpa's and incentive systems. (18:23:69)*

The annuity nature of insurance and investments points towards a strong customer centricity in the business, which also manifests strongly in the cultural orientation of the business. Data analysis at the site underpins this as a core supporting issue that functions in tandem with the sales orientation:

> *We are naturally client centric and investment performance focussed so we are in tune with what is required to achieve that. (13:18:59)*

> *There is great emphasis on client service and this is transitioned to the right client service people after the sales process and managed accordingly, with investment performance and returns serving as the underwriter to the overall offering. (22:19:61)*

As alluded to earlier, a fourth core cultural theme emerged from the data in the form of people. The challenges in the business notwithstanding, considerable attention was paid to highlighting talent and core competency in people, supported by the spirit and tenacity displayed in difficult times within the business:

My sense is that we have bright, capable and passionate people ready to rise to the challenge under new leadership, energy and direction. I sense that people are ready to fight back in the markets and course-correct something for which we are being unfairly accused. (10:8:45)

We have highly intelligent people who are driven to be the best in the industry and add value to their clients in return. (17:9:44)

The above cultural themes and extracts have been very briefly highlighted in order to extract the core issues that prevailed at this site and convey them only briefly as the biggest culture issues visible in the organisation. Fundamentally, the point highlighted is that which does not emerge as being highly prevalent – a brand orientation. The data reveals that there was a distinct absence of mention of brand as a core issue in the context of the business, either internally or externally:

It is as result of the entrepreneurial and performance legacy of the business and maybe we have neglected the role of brand in building reputation, awareness and maintaining market position. (14:14:57)

Although here the point is made regarding culture by means of a summary, the issue of brand intent, as highlighted in Section 5.2.3, is likely to address this as a cultural theme going forward in the business.

4.4 Internal to external

In a somewhat succinct definition of a brand, Ind (2007) suggests that it is primarily a promise kept. This alludes to the notion of making a promise to the external market that the organisation is capable of fulfilling, and therefore, by implication, it is internally fully understood what is expected. There are myriad issues that impact organisational capability to deliver in terms of it; however, the very root of the challenge lies at the commitment and definition of brand and the extent to which congruency exists internally and externally.

4.4.1 Leadership again

In consideration of the internal to external brand application, the matter of leadership surfaced prominently again. This is premised on the need to drive internal interventions that will define the very essence of the brand, enhance service delivery and manifest externally in the business, the starting point of which comes back to leadership anchored in the form of commitment, philosophy, allocation of resources and so forth. The responsibility for building the brand internally, and the impact that this exerts on the business, falls squarely at the door of the leadership group and constitutes the point of departure in evaluating this level of alignment.

There is no getting away from the fact that leadership must initiate the very concept of branding on the inside of the business and that this should be driven by the senior team in a highly coordinated and integrated manner:

> *I think the executive team will need to embrace it heavily and push it through the business and we will need to have a coordinated group approach involving HR, marketing and communication. (10:35:87)*

If brand has traditionally been the domain of the marketing department then this site was challenged by the absence of this role and was the recipient of a fragmented, uncoordinated effort throughout the group:

> *Our current shortcoming is in the marketing sphere - this department is non-existent and is something we will need to consider - the formation of a centralised group marketing function that can ensure that both external and*

internal branding get the focus they require and it is not left purely to the individual businesses. (9:40:95)

This organisation suffered from a lack of branding orientation and consequently, there was little or no attention being paid to the notion of either the internal or external brand and a resultant lack of brand approach. The ability of leadership to impact the brand internally and drive toward an improved brand orientation was clearly possible, which was a stated strategic intent of the business and the newly shaped executive team. This was confirmed by the executive responsible for Africa as a region:

...[the CEO] is new to the business but he has a clear commitment to Africa as a region and to the business and brand of .... He is a champion of the brand and is certainly leading the way forward and has had very early support and adoption from a strong exco and senior management. He has injected a new energy and passion into a business that needed it. (16:30:97)

Leadership influence, impact and commitment to the brand process and the stated future of this effort is thus a recurring theme across this case and indeed virtually all of them. A lack of leadership commitment and effort toward the branding process suggests that it is of no avail in the business, whereas it is a strong point of departure in an organisation that does have it; and a basis upon which to build.

4.4.2 Interventions and service delivery

Internal interventions aimed at initiating an internal brand orientation were considered at the site, with a view to exploring how these might manifest in the beginnings of service delivery externally, thus drawing the connection between the internal and the external brand.

Service delivery was clearly embedded in the business as a result of the sales and service culture and was not a direct function of a strong internal brand proposition. At the time of the case investigation and data analysis, a more holistic approach and connection between the two was being considered:

> *Within AFFS specifically there are a number of efforts in the business to drive our culture, systems and service delivery. Things like the Bluprint exercise are being conducted, there is an overall systems audit and analysis taking place and we are working hard at restoring confidence and pride in our people to fight back in the market. (14:23:75)*

> *We constantly examine and evaluate our systems and processes for optimal efficiency and service delivery and we supplement this with very specific customer service training. (21:20:66)*

However, the connection to service delivery did not appear to be a function of the internal brand per se as this was largely lacking. It seemed to enjoy a much closer correlation to the natural sales and service cycle of the business as well as the need of the company to protect revenue streams and annuity income — the basis for performance management and reward schemes:

> *Our overall service delivery and culture is good - it has to be. A combination of servic*e orientation and an incentivised sales environment makes for a high performance *team, although that isn't always the silver bullet particularly with the regulatory or environmental challenges occurring in our industry which are simply out of our control. (21:18:62)*

Positive service delivery performance remained very siloed and constrained to the subsidiary, however, as covered in Section 4.5. While the business unit is capable and highly functional, this was very fragmented and uncoordinated across the group on a broader scale.

4.4.3 How this surfaces externally

The lack of internal brand clarity and influence is distinctly evident when considering the external brand expression at this site. It is singularly uncoordinated, unclear and confusing to the market and consists of multiple messages, definitions and propositions. Much of the data pointed towards a lack of clarity caused by mixed messaging, whereas others suggested larger, more structural challenges in the business. Examples of unclear brand expressions were detailed as follows:

> *We claim that Your World is Our World externally but quite frankly I think this is meaningless and possibly resonates with 10% of our market. We are very fragmented in our little bit of brand building and we have too many business units saying too many different things - hardly likely to build a single-minded proposition to market that will matter. (24:14:53)*

> *Although we are well positioned in a sense I think we do create confusion for certain clients and lack of understanding when we overlay the [...] brand in this mix - we understand what we are doing, but the market sometimes does not. (15:16:59)*

Of note was the fact that this external uncertainty and lack of clarity was an expression of some of the internal challenges to, and dimensions of, the organisation, as result of the legacy issues prevailing in the business, as discussed earlier in this thesis. The fragmented and siloed nature of the business had given rise to many independent efforts across the subsidiaries — successful in their own right, but very disjointed in an international, multi-disciplinary financial services business and contrary to what many of its leading competitors had achieved globally. This view was evident in the opinion of one of the UK based executives:

There is market confusion at times due to the multiple brand approach and this is also compounded internally in the business where cooperation and collaboration is not optimal due to different cultures and siloes within the business. I have not had first-hand experience of this yet, but I do sense it amongst people in the business. (22:25:74)

The CEO view summarised this in a very clear and succinct manner which leaves little room for interpretation of the problem:

We have too many subsidiaries with too many propositions. (9:16:60)

This statement clarified the nature of the problem and also provided a clear indication of what was on his mind and where the strategic intent was likely to head. There was a groundswell of executive support for this intent at the time of the data gathering, but this would unravel over time — an observation due to the further leadership and ownership shifts mentioned earlier. This gave rise to significant challenges with regards to structure and group composition and serves as a basis for introduction to the discussion on structural issues.

4.5 Structural

Data at this site pointed towards an organisation that had a structure at odds with its business strategy and a severe brand disconnect as a result. The tradition of a strong sales legacy and entrepreneurial spirit, exacerbated by aggressive organic and acquisitive growth, whilst highly successful at one level, had given rise to a very complex and fragmented group that was operating with a kind of a hybrid model and resultant brand dissonance. Part of the group was aligned with the parent brand as it was trying to take a unified voice to the market with a view of better service to clients through an extended service offering, while others were acting as fiercely independent businesses and brands, either through regulatory or competition issues; in some instances through sheer executive passion and drive, and even ego in certain cases.

The bulking debacle was an important issue but not one that was insurmountable and the organisation possessed the momentum, tenacity and track record to overcome this. What was evident, however, with the benefit of pre-crash hindsight, was that the business was trapped in an older and historic industry model, while the industry around it had shifted considerably. The new CEO was able to identify this at the time, but was challenged in his ability to shift the business forward through some of the structural issues.

4.5.1 Autonomy and decentralisation

The business deployed a highly decentralised model with high levels of autonomy to the business unit. This was a function of the entrepreneurial roots of the organisation and supported the notion of customer centricity, agility and specialisation:

> *We are a completely independent business and have complete freedom in the way we run a multi management business. (17:18:69)*

> *Although we are part of AF and they ultimately own us, we sit completely separate from them in every respect - our board, our investment strategy, our people, our building and our brand. In many respects I think this is why we have succeeded to the extent we have. (17:19:69)*

The industry had also become more complex with increasing regulatory interventions and a blurring of boundaries between advice and product rules, with a heightened sensitivity to increasing consumer protection in several markets around the world. This compounded structural complexity in that subsidiaries were able to choose when to be tied to the parent brand and when to be independent:

Where perhaps we are misguided at times is as result of the entrepreneurial spirit which leaves a lot of autonomy within the subsidiaries and perhaps too much decentralisation of certain issues, including information technology and brand. (11:20:62)

This freedom to choose was uncontrolled to an extent and ultimately all that mattered was the results. This very issue was latched upon by the media regarding the bulking issue with the accusation by a particular financial journalist that this was a naked pursuit of results in the form of greed and should be classified as a lapse in corporate governance. This executive comment captures the very issue:

In a way our very strength is also a weakness – the entrepreneurial philosophy and autonomy comes back and haunts us. (11:26:76)

The advantages of decentralisation and autonomy were accompanied by disadvantages for the group and consequently, the brand and corporate reputation came under siege.

4.5.2 Lack of core shared service

The autonomous and decentralised business model allowed for the development of skills and solutions specific to the business unit, as well as a certain level of central group services. The agility and entrepreneurial nature of the group resulted in a relatively flat structure and attention to a specific range of disciplines — marketing and human resources being distinctly absent at a group level and in this instance, even so at a subsidiary level. Specialist priority skills such as information technology were not only evident at group level, but also at subsidiary level, giving rise to duplication of efforts and diseconomies of scale in many cases.

The net effect of the above was a very limited focus on marketing, resulting in neglected attention to the group brand efforts:

> *As things currently stand we do not have a centralised marketing function, not at executive level in any event, and tactical marketing has always been pushed down to the business units. There is a degree of branding that supports the sales and marketing efforts within the subsidiaries but I don't think this is a primary focus and we would be mildly brand oriented at best. (11:12:50)*

> *Another limitation is the lack of a marketing director in the Group and this is something that needs priority attention and should be an immediate appointment. (12:29:77)*

The resultant effect is that much of this effort and responsibility was pushed down into the subsidiaries or into the hands of line managers who had neither the time, inclination nor orientation to pay it the required attention. They were driven primarily by the sales and results or performance orientation of the business:

> *A challenge in AF is that neither of these departments has traditionally existed and this has transferred back to line management, which is both good and bad – good in terms of ownership and active involvement, but bad when relegated to the bottom of the priorities list by managers. (26:33:87)*

With these challenges taken into account, at the time of data collection, the newly appointed human resources director was on board and her appointment was supported by an executive head of strategy. Although the group office had employed a head of corporate affairs, the department was ineffective and not operating at an executive level focused on broader brand and reputational management issues. It tended to adopt a somewhat one dimensional approach to the investor and analyst community, again signalling the performance and financial orientation of the business. The CEO had agreed to move towards the appointment of an executive marketing director as part of his commitment to lifting the brand orientation of the business. At the time of writing this thesis in 2011, this person had been in place for approximately a year and her efforts were beginning to become evident in the market on the back of further leadership change and a renewed commitment to brand in line with an updated 4 year business plan.

4.5.3 A fractured and complex effort

The level of complexity evident in the business model was responsible for a high degree of fragmentation across the group, hampered the ability of the subsidiaries to cooperate in certain instances, and served as a barrier to realising or unlocking the intended strategic direction. Simple examples were the incompatibility of computer systems and the inability to share information in a client centric manner:

> *We are highly decentralised and entrepreneurial which results in a high level of duplication of efforts and we do not optimise economies of scale at all – for example, each company literally builds its own IT system and then we have complete nightmares getting them to talk to each other when required. (10:26:71)*

> *Our corporate structures do not aid unification and a single view of client at all; and geography certainly also does impact this. (23:22:75)*

> *This also manifests externally in the business as it makes it near impossible to function as an integrated player and puts us under pressure in the sales process. (28:26:76)*

An evolving industry was also exerting pressure on the structural complexities of the business. In certain cases, the subsidiaries were using the group intermediary channel to market the products and were avoiding it in other instances owing to a direct conflict of interest at a client level, which was frowned upon by the regulator. Also, they were using the said channel to transact with a competitor of the parent group against which there was a level of discomfort with regards to revealing the parent brand. The counter argument at the time was that the spirit of disclosure in the industry necessitated the revelation of ownership and that the point was mute. The complexities of this particular issue are not worth prolonging; suffice to say that there were added layers of distribution, governance and disclosure complexities arising from a highly fragmented corporate structure. Although there were no automatic and easy answers to all of these issues, a united business front and brand approach would have made a considerable difference.

4.5.4 Limitations to the brand and business

Overall, the nature of the structure of the business had far reaching consequences for the brand and business not being aligned with strategic intent, thus hampering the progress of a century old business embarking on a journey into the 21st century. In a sense, it was symptomatic of the frog in boiling water syndrome.

Internal competition and siloes within the business were very evident with little coordination of combined group efforts. Where there was an attempt to do so with respect to key growth opportunities such as the retail segment, system limitations would occur. A simple example of this would be the inability to share a single view of a client across technology platforms when trying to filter institutional versus retail needs at the same client site. This was deemed highly problematic in the context of a key growth intent and opportunity:

> *We still have an element of empire building within the group and I feel this is a reflection of our structure. This also creates lots of sibling rivalry within the business and the respective units; and stands in the way of an effective One World strategy. (28:25:75)*

The One World strategy as unveiled by the new executive was intended to align the business internally and unite the combined efforts of the group across a spectrum of client opportunities. This would allow both vertical and horizontal revenue opportunities with an enhanced basket of services and ability to penetrate new revenue segments off the existing client portfolio. The challenge lay in the implementation of this strategy up against the existing business framework and structure, which needed to be materially shifted in order to realise the up-sell and cross-sell opportunities that had been identified.

While no brand unification was evident at the time of data collection, the intent was recorded and recognised, and the process toward brand unification was underway. This pointed towards greater levels of cohesion in the brand portfolio, or conversely, complete disconnect, and possibly even the sale of non-core businesses, if deemed appropriate.

4.6 Impact

The conclusion of this case analysis considers the overarching implications for brand alignment whether through issues of opportunity or areas of concern, across the realities of developing or sustaining competitive advantage or the emergence of key strategic issues that impact the business.

4.6.1 Competitive advantage to the group

Apart from the many challenges identified in an increasingly competitive industry and world economy, the most commonly identified opportunities, or acknowledgement of competitive advantage, related to the specialisation offered in certain segments of the business and the sustained performance that was evident across the group, in spite of the hurdles it had encountered.

As an irony or perhaps because of the very fragmented nature of the business, the group was viewed as sailing along, whereas several of the niched, specialised subsidiaries were clearly acknowledged as industry leaders in their local market in a specific field. The multi management business of Investment Solutions was regarded as a clear leader in its field and a pioneer of this offering in the South African market. Other similar mentions were the highly specialised offerings contained within Guardrisk and Fihrst in the local market and a dominant niche player in the form of LCP in the UK market. This had clear implications for the consideration of a brand strategy going forward:

> *We are leaders in the multi manager space in South Africa; no doubt about that. This is proven by performance analytics available through our own research and statistics as well as that of market analysts and reports. (15:34:102)*

> *We certainly do have advantage in areas like Fihrst, IS and LCP and have set the benchmark in those businesses. (24:43:100)*

Continued business performance and sustained results were also flagged as being key competitive advantages in the company. The strong performance orientation and revenue focus set the business apart and would augur well for the future. Brand also played a role here and could further galvanise the internal efforts and drive external results:

> *Our competitive advantage is a function of our scale and history as a group, driven by aggressive sales performance and good advisory. (9:43:104)*

> *Our performance track record is everything and with this, all else follows. Our growth over the years has been a function of this and that is why it is imperative to protect it at all costs. (15:37:111)*

Critical to this would be the restoration of the corporate reputation and a more cohesive approach to the group brand efforts in future.

4.6.2 Brand related strategic issues

A multitude of strategic issues emerged from the data and those that were the most saliently brand related or impacted are briefly commented upon in conclusion to this analysis. This has a bearing on the extent to which they continue to influence the brand alignment process in the future, or against which a brand renewal and alignment initiative could help to resolve.

The regulatory environment and framework continues to pose a number of challenges and opportunities to the organisation. Rising consumerism and the consequent increase in protection is driving an increased retail focus and business opportunity on one front, whereas intervention in regards to commission models is impacting the entire sales structure and environment. Increased attention to the possible conflict of interest in advice and product provision creates a plethora of considerations of company structures, brand portfolio and levels of specialisation. Brand continues to lie centrally in this development and will ultimately be influenced by the strategic direction. Conversely, it will also assist in the unification of businesses, the offerings, and people to drive the process at particular market segments and opportunities:

The regulatory environment is fluid and ever changing and we need to constantly evolve with this. (18:5:39)

Consolidation into a single brand sounds good in theory and it may help position the organisation as a multinational group with scale from a market point of view. I think the road will be filled with challenges, both regulatory through possible conflicts of interest; as well as internally in the alignment of systems, brands, people and culture, as well as the brands themselves. (24:46:110)

The business and brand portfolio is impacted as per the quotation above and emerges prominently from the data as an issue that requires serious consideration. Market cycles and the regulatory dynamics previously mentioned will exert a direct impact on which facets of the business will be relevant in future while the brand will play a steering role in how these are taken to the market. It is unlikely that the current format and status quo will be allowed to continue under the new leadership and the intention to change this is clear, as directly quoted from a senior executive:

I think there is room for consolidation of our brands in this market, as complex as that may be. We have all three in the market albeit with different market segments and focus areas, but this does little to optimise both spend and awareness and it does beg the question. It's not only about the brand but structurally whether in time, you bring these businesses closer together. (18:28:77)

Ongoing growth is tied to the revenue requirements of the business and naturally the quest for continued sustainability of the organisation. Opportunities present themselves in the untapped retail segments of the market and the capacity of the organisation to align its efforts in pursuit of these will be tested. Improved penetration of existing markets across Africa is high on the agenda as the full potential of the region is still untapped.

African growth is becoming increasingly important. There is a lot going on across the continent and we need to be a part of that, while obviously managing the risk profile accordingly. (14:5:42)

Growth is a business imperative for us – both in the retail channel in SA and growth in the UK market as a whole – both retail and institutional. (15:4:41)

Adoption of a One World strategy has become essential – one in which we cross sell and upsell services within the group and proceed with a unified strategy and voice to market. This should include unification of our businesses and brands throughout the group. (9:6:42)

The last quote above is a direct extract from the interview with the CEO, which brings into focus the strategic issue of business unification. A clear part of his mandate and intent was to bring a higher level of unification to the organisation and he had highlighted the catalytic role that the envisioned brand would play in this regard. In a sense, he viewed it as an opportunity to drive change, reignite the energy in the business and motivate people to function in terms of the same vision.

This highlights the final and summary point regarding the role of the brand internally and externally in restoring the reputation and equipping the business for its strategic future:

In an ironic twist of fate, maybe it is this very reputational issue of the bulking scandal that makes brand a priority part of our strategy going forward. (14:15:57)

It is fair to say that we do aspire to being a brand led business and it is high on our list of priorities and in alignment with our new strategy and vision for the business, so you could argue that we have the intention. (14:15:57)

This contrast case brings insight into the challenges facing brand in a high growth, dynamic industry sector. It also highlights the opportunity for brand alignment as a business model and basis for an alternative way of functioning. At the time of the finalisation of this thesis in 2011, the organisation had made strides in this direction and would constitute a good case for further research.

4.7 Conclusion

Table 4.2 provides an overall assessment and breakdown of the case analysis across the dimensions of the framework utilised and categorises these themes into either positive or negative constructs in terms of the notion of brand alignment as a strategic business framework.

Table 4.2: Brand alignment Case A

Framework	Summary: positive	Summary: negative
Brand context	Brand is on the strategic agenda – there is executive intention.	General approach to brand is lacking. A predominant sales and performance orientation.
Brand influence	Rebuilding and clarification of organisational values.	Lack of co-ordinated internal brand leadership. Sales, entrepreneurial and performance culture prevails.
Internal external	Sales and customer centricity drive service delivery.	No one to lead the internal change in the past. Fragmented external expression.
Structural	Highly autonomous and decentralised.	Absence of centralised shared services. Net effect is complex and fractured. Structure limits strategy and brand implementation.
Impact	Brand to play a considered future role, internally and externally.	Competitive advantage confined to legacy and sales culture – brand has been a restriction.

The case summary is essentially indicative of an organisation that has been highly successful through a strong entrepreneurial and sales culture. Aggressive growth and high levels of autonomy throughout the organisation have caused certain growing pains, underpinned by ongoing changes to the leadership structure and a recent lapse in corporate governance. Brand has not been central to the strategy or organisational efforts to date, but evidence at the site suggested that this was likely to shift in the near future.

For purposes of this study and analysis, Case A is defined as being a contrast case in the overview of brand alignment. This data is utilised to interrogate theory development and add richness to the research findings by means of the contrast analysis and process of data comparison. Leadership change at this site had driven continued analysis of the situation and was intent on changing this strategy while moving forward.

CHAPTER 5 – CASE B: MANUFACTURING STUDY

5.1 Background

5.1.1 The business

In 2007 Holcim, a Swiss-based international cement producer and distributor, announced its intention to sell a majority stake of its South African business to a black economic empowerment (BEE) group, Bunker Hill, in a R13 Billion transaction; and to limit its continued involvement to that of minority shareholder and international technical partner. This took place only a few years after its acquisition of Alpha Cement in this country and the successful conversion of that brand into the globally aligned Holcim brand. However, this was triggered by the shifting dynamics and transformation of the South African economy, centred on land ownership and mining rights that was integral to the process of cement manufacture and necessitated a broader-based ownership structure, reflecting the new dispensation.

By virtue of a shift to a minority shareholding, Holcim would ultimately withdraw its brand name from the South African market and the BEE consortium would need to rebrand the company and its product range. The rebranding challenge notwithstanding, a high degree of uncertainty and anxiety prevailed within the organisation due to yet another ownership change and brand shift in a relatively short space of time.

The above was taking place against the backdrop of an industry perceived by many to be an oligopoly in which price fixing and cartel controls were exercised. It was an environment in which demand for cement exceeded supply, in light of the infrastructural expansion taking place within Southern Africa in the build-up to the 2010 Football World Cup. In addition there was a the lack of effective international competition due to the prohibitive cost of transporting cement, thus negating the threat of such competition or price competitive new entrants.

5.1.2 The brand

The brand situation at this site was relatively straightforward in comparison to the other cases under consideration. It was the result of an international acquisition of a local operation a few years prior and was fully integrated into the global brand standard and application. There was some residue, or positive brand equity transferred from the acquisition in the form of a product brand and naming convention, which was sensibly carried forward and utilised. This was drawn from the original Alpha Cement corporate brand and the tied A1 product brand. The brand challenge at this site came in the form of the future consideration under the new ownership and brand de-linking from the international parent. This was seen as exciting by some managers in terms of local independence and brand expression, but daunting in other quarters due to the unknown nature of a new brand in a rapidly evolving and increasingly competitive commodities sector; one which was traditionally not particularly brand astute.

The emergence of what is today known as Afrisam was well executed in terms of brand identity conversion and rollout. However, the organisational change dynamics at this site have prevailed for a considerable period of time, influenced by the exodus of senior management, the unsettling period of transition and a considerable tapering of demand. This has been compounded by an increasingly competitive and regional market, coming under closer scrutiny in terms of land rights and further attention from the Competition Commission. The independent, locally owned Afrisam brand has made effective use of some of the brand equity of the former Holcim, in particular through colour retention and attendant association at one level; and through technical partnership and service delivery at an operational level.

Note to the background:
In a late addition to this case at the time of thesis distribution, Holcim has announced that it will write off €343m of its investment in Afrisam to make way for the Public Investment Corporation (PIC) to take over the debt-laden company and prevent a R12bn default (Business Day, 2012).

5.1.3 The approach

A comprehensive series of interviews across executive and senior management structures was conducted at the site, representing group, cement and aggregates business clusters. This covered local management and executives only and also included representatives of the empowerment consortium buying the business. Research and strategic documentation were made available as data for analysis at this site and participation at certain exco meetings and executive workshops enabled rich data gathering and observation. Table 5.1 summarises the data gathered in the analysis of Case B.

Table 5.1: Data gathering Case B

Data Source	Description
Interviews	19 interviews were conducted during 2007 and these were selected from senior and executive management. This consisted of 7 individual interviews; 2 group interviews comprising 4 respondents per group; and 2 group interviews comprising 2 respondents per group.
Documents	Several strategy documents, marketing brochures, annual reports and research reports were utilised to construct case description and aid the analysis of data. A total of 11 documents were prioritised for analysis.
Observations	Attendance at defined exco meetings and company workshops during the data gathering process in 2007 – 7 of these were considered for purposes of observation.

Case analysis was conducted through the examination of a number of core themes that would deconstruct and assess the overall approach to brand as a strategic tool and the alignment of the internal and external brand in pursuit of competitive advantage. In order to unpack this, the overall brand context was first examined, followed by the extent to which brand was both influenced in the business, or acted as an influencing factor. A consideration of the internal to external brand link followed this and an examination of structure as an enabler or obstruction in the business was also evaluated. To conclude the analysis, an assessment was conducted of the impact made by brand on the business, as well as the consideration it would play in the future strategy of the organisation. In the conclusion of each case, a summary was drawn of the status of the case either as a brand alignment support case if positive, or a contrast case if summarised as negative.

5.2 Brand context

An examination of the site was carried out to review the overall brand context and to establish a sense of orientation toward the principle of branding within the business.

5.2.1 Brand is identity

As part of a large international group that was dominant in its industry sector, it was evident from the outset that the approach to branding was not an independent local decision but very much part of a global mandate. A strong Swiss precision prevailed in the approach to brand and the identity of a relatively young brand in the South African context was implemented with discipline and exactness. It was also evident, however that this is what constituted their approach to branding – something that was a reflection of the organisation or a badge of identification, rather than a philosophy or way of doing business:

> *We have had the luxury of rolling out a strong global brand in a fairly dictatorial and rigid manner as our expression of the business, while we get on with business as usual. (38:15:52)*

> *Brand has been our means of expressing this to the market and delivering messages in an industry that has not been typically brand oriented and competitive in the past. (38:19:60)*

The data largely points to an identity-led expression of brand in an industry that has been very protectionist and controlled to an extent and the subject of increased attention from the Competition Commission for market arrangements and price fixing – a point of much contention and debate within the industry. What this does suggest, however is that it is an industry not traditionally accustomed to typical marketing and brand orientation, which the data overwhelmingly supports.

5.2.2 3P's – production, process and performance

A production, process and performance-led organisation would be a far more accurate description of the 'brand orientation' at this site. In fairness, it is a manufacturing organisation that has historically delivered what has been regarded as a commoditised product and has therefore developed with this bias over many years. That said, the nature of the industry appears to be evolving, certainly in the pan-African context and indications are that there is an appetite for change, or some would argue, a strategic necessity.

The production orientation is supported by the fact that demand exceeds supply. This is a function of market cycles, but at the time of data collection the industry was delivering against the infrastructural development preceding our state of readiness for the 2010 Football World Cup. The net result was that everything produced was sold on the market, a situation that traditional marketers can only envy:

> *Brand comes at the end of the value chain in the way we take our product and solution to market. I am not saying that we do not value brand, but am suggesting that it does not drive our business - marketing comes after the production process and its role is to package and communicate what and how we do it to our market. (37:17:50)*

> *We are a process and output oriented company with a very strong technical and production mindset. (38:14:52)*

The strong production requirement and focus of the business is supported by a highly evident commitment to process. This is driven by the need to optimise outputs to meet market demand, drive cost efficiencies to remain competitive in a commoditised market, and to ensure the quality control aspects that go with a product of this nature. The pursuit of cost efficiency receives a high level of attention and the ongoing focus in the industry falls on the striving toward a lowest cost producer status. This naturally leads to and supports the concept of a production, process and technical focus rather than a brand one:

> *To say we have been brand driven in the SA context would be an over claim though as we are predominantly focused on process and systems and getting the product to market. Brand is implemented well, but is seen as our badge to a market that will ultimately buy all that we can produce. (35:19:54)*

This production and process orientation is also underpinned by the financial and performance orientation of a large listed entity operating on an international scale. The business is highly focused on metrics, measurement and ultimately, performance. This features very prominently in the language, leadership and management style and basic orientation of the organisation. Financial results are tracked all the way back to daily production output and efficiency measures, ensuring full quantification of every component part that ultimately constitutes overall performance. It is in large measure a key success factor, but not symptomatic of a typical organisation operating in a fully open and liberalised market. Therefore it can be argued that they have the luxury to function in this manner rather than being forced to operate in a market-led fashion. This is not the subject of this thesis, however, and it suffices to say that measurement and performance constitute a critical part of the management process at this site:

> *I think we have a good brand on the outside of the business but I wouldn't say we are a brand led business - we are too technical, production and*

process oriented; with a complete focus on lowest cost production, maximum efficiencies and optimised financial performance. (36:10:54)

As a result of this, brand did not feature in dialogue around strategy and was not positioned as a core part of their business thinking. Similarly, it was largely not identified as a catalyst for change or strategic initiative throughout the group. This view was expressed by existing management, whereas shareholders of consortium members coming into the business and talking about the future, under a new brand and dispensation tended to view it differently. This will be further discussed later. An irony of the viewpoint expressed around branding generally is reflected in this comment from one of the senior executives:

Our brand has substantial value and was put close to 4Bn in the transaction if you define it as the goodwill or intangible value of a 13Bn transaction of which there was a 9Bn value in assets. (35:17:54)

The above comment is potentially contentious but it does make an interesting point around a holistic approach to building brand, dependent on how you view it. The cynic might argue, however, that it has nothing to do with brand and is the goodwill of a global entity driving hard business results in a local market. Salinas (2011) in a recent overview of brand equity and brand valuation models has argued that most common methodologies are flawed and there is still much ongoing industry and practitioner debate around an acceptable framework in which marketing and finance meet.

Brand equity per se is not the focus of this thesis, but a holistic approach to brand building and brand alignment in an organisation must ultimately contribute to value creation, competitive advantage and sustainability for the organisation (Keller, 2008:11).

5.3 Brand influence

Brand appeared to have little influence inwardly at this site, and was seen as the external expression to market an internal way of doing things. This internal way was examined here in the context of the prevailing culture, how this affects people and relates to organisational values, and ultimately, the role that leadership played. What was clear in the process was the pending environment of change. The international holding company was exiting as the majority shareholder and making way for a local shareholder under a new national dispensation, taking the role of minority shareholder and technical partner to the group going forward. This implied a dynamic work in progress view of the brand influence, as the group might alter course under the new management, leadership and ownership.

5.3.1 A predominant culture

There was little doubt as to the prevailing culture of this business. Simple sentence extracts put this immediately into perspective at the site:

> *...we are performance obsessed as an organisation and everything aligns to this. (34:23:69)*

> *We are a performance driven business and our culture reflects that. (38:9:45)*

The nature of the industry and the manufacturing environment aside, it is clear that the international Swiss influence over several decades had built a very clear and precise style of management that has stood them in good stead and contributed to the development of a highly successful organisation. Performance and clinical precision was highly prevalent at this site and there was no ambiguity around what matters most.

Performance was multidimensional and covered a range of metrics including financial, regional market share, production, safety man-hours and many other dimensions of the business. It has clearly worked well for the organisation and they have performed admirably in the South African market over a very short time span since acquiring the business of Alpha cement, albeit in an upward market cycle. This was captured most succinctly by senior general managers across both the aggregates and cement divisions respectively:

> *Our performance mandate is very clear in the business. A lot of time and management attention and effort goes into managing process, performance, quality and safety so this is very evident and clearly on the consciousness of people throughout the company. (37:20:58)*

> *We are a lean, highly organised, efficient and profitable cement producing business. We are highly performance focused and have a considerable track record of market success locally and internationally. (42:8:46)*

The success of this culture and orientation had worked in the short term. The culture was, however showing signs of duress amongst the people in the business and was also on the minds of the incoming owners. A view was forming around a more people-oriented, sustainable and local way of conducting business. This development is addressed in the following section of this report, based on the notion that it was an area that could influence the brand in future, or that it could be the basis upon which brand was a catalyst for the shaping of a new culture.

5.3.2 People and values

A level of fatigue and disengagement was evident amongst people at this site based on the comment that the culture was hard, clinical and somewhat unforgiving, in the pursuit of relentless performance. It seemed that the company had swung to extremes between previous and current ownership and looked set to experience that again in the future, perpetuating the climate of uncertainty and ever-changing management styles:

> *We have made a quantum shift in our approach to people and people practices and we may have swung too far in the pendulum. (37:12:45)*

> *People say we are very serious about work here and very serious about performance - there simply is no place to hide. (35:15:48)*

The high levels of control and systematisation of the business had also given rise to a fairly stifling environment in which there was very little autonomy and empowerment. The net effect of this was signs of limited innovation and an environment in which empowerment and room for growth and development was lacking amongst people:

> *We need to achieve a better balance, without detracting from the success of what we do; in order to empower people and create room for growth and development; and improved levels of innovation in the business. (37:27:76)*

Members of the consortium representing the new owners were interviewed and commented on this issue. They suggested that they would strive for a better balance and would aspire to the best of both by retaining a high performance business and the technical expertise of the Swiss, while introducing a more natural local style that would be people centred and accommodate a better understanding of the local market and the region as a whole. This would have very clear brand implications through the expression of a new set of values, philosophy and manner of conducting business:

Our style in Africa is to engage people with humanity and warmth and this is something we can again influence as new owners. This doesn't mean that performance will be changed or compromised - we will just do it differently. (43:16:63)

In the interim, the existing values of the business appeared clear and well understood, and the absolute focus on performance and measurement left little ambiguity:

We do have communication that conveys related messages and values but performance is what pulls through strongest and defines our thinking and behaviour. (42:26:79)

Schein (2001) talks of core values and espoused values. This case site displays a clear sense of core values throughout and there are no attempts to hold up a set of espoused values that detract from that for which the fundamental philosophy of the business in its current context stood.

5.3.3 The impact of leadership

Culture is a leadership issue, according to Thornbury (2003:77). She suggests that the responsibility for shaping the internal culture of an organisation vests with its leadership team and that their influence over this has a considerable impact on the company as a whole.

Given the nature of the business and the high level of technical and production orientation, it made sense that most of the senior team possessed technical or engineering backgrounds. This was natural, expected to an extent, and was also a key strength of the organisation. A shortcoming, however, was the balance required on the softer issues like culture, values, and an appreciation of the human resources aspect of the business. While some respondents were relatively blunt in their attitude towards people, members of the executive displayed empathy towards people and were open about a need to achieve a greater level of balance in the business:

> *We are a very successful business with a huge emphasis on performance as a company. We focus on efficiencies, results and shareholder returns as our primary focus and it has been suggested that we neglect our people in the process. (41:9:45)*

At a general leadership level there were issues present in the business and its structure at the time. Some respondents were openly negative about the management style of the chief executive, who has subsequently retired:

> *I find [him] to be quite a doomsayer and someone who focuses on what can and will go wrong, rather than someone who can paint a picture of the future vision and aspirations for the business - in my mind what brand leadership should be. This cascades through to the leadership team and is an important part of the historic legacy of name and shame that we need to shift now. (37:36:96)*

Others were more critical of the general leadership structure of the business in terms of building a brand-aligned organisation:

> *We have a marketing department that is outwardly focused, a human resources team that has lacked credibility in the past and a leadership team that is brand illiterate and biased toward the technical. (38:32:88)*

The command and control nature of the leadership style in the business was also cause for concern amongst several executives suggesting that it was creating a lack of leadership pipeline in the company which was echoed by the incoming shareholders who alluded to a need to develop more dynamic, flexible and risk oriented leadership if they were to realise the vision of a regional African business:

> *This high degree of centralisation and control is very disempowering and we are not developing good middle and senior management capabilities. We tend to have robot managers who focus on delivering to pre-determined processes and mandates - good in the short term, but questionable in the long term development of leaders in this business. (34:32:81)*

Whilst the above views may appear somewhat critical, there was a reality check against the context of the existing leadership tenure. They had done well in building the momentum of the international brand in the local market in a short period of and against the principles of a European approach and philosophy. The incoming shareholders on the other hand were ready to signal change and announce a new era to the business with a more local style and flavour and consequently under a rejuvenated management and leadership team.

5.4 Internal to external

The internal to external brand correlation in this case seemed relatively clear-cut. Internally, there was little evidence of a brand orientation or philosophy to guide values, beliefs and behaviours, whilst externally there was a disciplined and clinical application of a global brand identity – well executed and implemented, but potentially soulless in a commoditised industry and without warmth and passion about the people behind it.

5.4.1 No real internal brand

The absence of a strong internal brand or brand culture was a result of the strong technical and production orientation of the business. While this supported the output and performance aspect of the company, it was doing little to help drive levels of engagement, build employer of choice status or enhance leadership capacity for the future growth and development of the organisation. Beyond the many clichés around people being the most important asset in a business, it was abundantly obvious that disengaged employees would ultimately hamper the continued level of performance that the organisation aspired to and it would have difficulty realising its longer term ambitions unless this was addressed. A strong internal brand could aid the engagement of staff and overcome some of the challenges facing the business on this front:

> *In the clinical and controlling nature of their style it appears that they are alienating people to an extent. The senior managers that thrive in this environment are those that are purely technically orientated or are simple control freaks. As a business they lack imagination, innovation and the entrepreneurial approach or balance to drive business growth in this region. (44:21:73)*

> *The question I guess increasingly is what of our people - what about motivation, innovation and the many other human dimensions required that sit outside of a rigorous business process all the time. (39:21:65)*

There was a body of evidence at this site to suggest that the appetite for change and for elevating the nature and status of the internal brand was increasing – both within the business as it stood at the time of data collection and amongst the team members who were positioned to take it forward under the new ownership, following the transaction. These views were expressed at multiple levels within the business:

> *I do believe however that our industry is changing and increasingly it is less about cement and more about people. In this respect I think we are falling*

behind and I get a sense that PPC does this [focus on people] much better than us in the SA market. (36:38:101)

Some people are arguing that we need to return the soul to the business and show a more caring approach. This is not something our Swiss shareholder believes in and they are seen as cold and distant at times, but the performance of the company is good. In our African approach we need to keep the balance between the two. (39:31:81)

The absence of an internal brand orientation in favour of a production, process and performance orientation was likely to continue under the existing leadership until such time that as new management team was installed – this was mirrored strongly in the data supporting the impact of leadership style and influence in the business. Consortium members on the other hand were positive about the changes they would ring in the organisation and the extent to which a new, dynamic and less conservative culture would be a fundamental necessity to a regional cement and aggregates business.

5.4.2 The external identity expression

The strength of the external brand at this site lay in the consistency and application of its identity, backed up by an excellent product and delivery track record, all of which was underpinned by a 100-year-old international reputation. ‘Quality, consistency, technical back-up and expertise’ were the types of descriptions extracted during the interviews and used in various forms to describe the external proposition to market. The performance orientation internal to the company would also manifest in the external product intrinsics. The brand effort was straight-forward, however, with no lofty ideals and claims:

We are a simplistic business that builds on delivery and capability rather than flashy statements that have no meaning. (35:33:82)

Our key proposition in the market is performance; of both our product for the application and our company for its market - I think it is our commitment to performance that underpins who we are and what we stand for. (37:19:54)

Some of the senior executives displayed an understandable level of trepidation around the move from a large global brand and the shift outside of their umbrella proposition into a space that was excitingly independent, but nerve-racking at the same time. The contrast of opinion expressed below also echoes a pending shift in the degree of brand orientation likely to emerge in the business:

We have a good brand that has considerable international clout and standing through our sheer presence and reputation. (39:9:49)

We are disconnecting from this again as we go solo in the African market and this will shift our focus dramatically in the direction of a strong brand culture. (42:15:55)

The new shareholders were of a different view altogether and were confident that they were fully capable of building a pan-African brand proposition that would better understand the region and have higher resonance in the market, whilst maintaining the expertise and credibility of the global brand and organisation through a continued relationship as technical partner and as a minority shareholder. At the time of the finalisation of this thesis, the new entity AfriSam was establishing itself well in the market as an external brand and a continuation from where it left off from its predecessor.

5.5 Structural

The structural assessment at this site was a lot less complex that that of Case A for example. In this instance, in the analysis, the researcher considered a single brand entity and for all intents and purposes, a single organisation operating under a central headquarters in the form of a Zurich office and listing. Control was thus highly centralised which suited certain facets of the business, in particular, the technical and production side; but served to restrict other parts of the business through a degree of suffocation.

5.5.1 Monolithic and centralised

There was little to be analysed around the extent of a single brand approach or level of control in the business – it was abundantly clear and echoed consistently. The consideration was rather anchored on the positives and negatives of this approach, which are reflected in the ensuing sections. Suffice to say that the concept of a single brand in the South African and surrounding SADC markets prevailed and was in keeping with the international standards:

> *The strong global brand also enables a dominant international presence that drives all acquisitions and organic growth under a single brand at corporate, subsidiary and product brand level. (36:24:74)*

It was also very evident and confirmed that there was a high level of centralisation and control, so therefore little autonomy for the local operation. It was more specifically a matter of understanding global rules and making them work in the local market:

We are acutely centralised in the business so management control and structure is overlaid on a highly systematic and process driven business. (39:22:69)

The company is incredibly centralised and all roads lead to Switzerland. (36:22:74)

This ensures very strong alignment of all that we do. Cement and ARM are local clusters in the business that are Holcim in SA. SA in return is part of Holcim global - simple, clear lines of report and high levels of control. (39:23:69)

In a mechanised, commoditised and regulated industry, this model had clear advantages and has stood them in good stead in the South African market. The conservative management style and risk aversion was however stifling regional growth. In addition, the Competition Commission was looking upon this industry sector disfavourably and was seeking to unravel the oligopolistic behaviours and market arrangement tendencies that it exhibited. This would signal winds of change in the industry and there were some early signs in the continued observation of this industry sector post the data collection phase, that would suggest that the investigation was underway and a far more aggressive, market dominated and uncontrolled sector would emerge.

5.5.2 Systems and skills

The skills and competencies of the people in the organisation were considerable and they were good at what they did. The strong system orientation helped uphold processes and procedures and there were well-structured programmes, relevant training, technical audits and quality control standards in place. It was a technical business with a high level of engineering and key technical skills brought to bear. This naturally extended through to the product brand in performance terms and ultimately, through to company results in financial and related terms. It was fair to say that its technical competencies and skills led to a well-defined competitive advantage in their industry:

> *Our competitive advantage is our global scale as a group and the technical skill and competency we have brought to the market. (39:42:105)*

> *In the ARM business we do rely on product innovation, research and development to differentiate and we are leaders in this area with our strong international ties and capabilities. (41:42:107)*

It was essential to the business going forward under the new shareholding and ownership structure that these skills and competencies were retained. The existing owner stayed on as a minority shareholder and technical partner as this was in the terms of the transaction. What was important beyond that however was the ability of the new business to retain its talent and to attract the future talent to the industry. To this end, the internal or employee brand again played a role and the new entity would have to work hard to ensure it retained a prominent position as an employer of choice; particularly up against a formidable competitor like PPC who appeared to hold the high ground in the sector as preferred employer and who was also an entrenched, locally owned player.

5.5.3 The downside of control

Not all that was centralised and controlled was positive, however. This style of management did appear to have consequence in certain facets of the business, with implications for the brand.

At an internal, level there was a sense that the control was stifling and people were stripped of their ability to make decisions and act with a sense of empowerment. There had been comments referring to people as ‘managerial robots’ and some executives spoke of a distinct lack of innovation in the local business, with all product related initiatives being delivered from abroad. Some felt specifically that this had hampered local market product development:

> *Some feel that this systematisation makes us rigid and inflexible at times, particularly in respect of further diversification of product or geographic markets. (41:24:75)*

Other executives and the new investor partner, in particular felt that this centralised management compounded with a highly technical environment had created an extremely conservative management style that had restricted regional growth possibilities and effectively allowed competitors and new market entrants in the region to act without restriction of response. They also felt that it gave rise to added layers of complexity and an inability to act responsively:

> *I think we are too controlled and centralised and we need to empower people more. We stifle innovation and risk taking as result of our obsession with control and at times we slow things down through beauracracy and complexity. A prime example of this is how it has hampered our growth across the continent to date. (38:26:76)*

The new owners had this issue high on their agenda and spoke of a more liberal, people - oriented style of management that would work more effectively in a regional sense and would enable aggressive growth in markets across the border. Again, this would have implications for the brand, as it would need to shed some of the Euro-centric, clinical connotations that it held at the time of analysis, but not lose the reputation for technical excellence and service delivery competencies.

5.6 Impact

Apart from the immediacy at the time of locking down the transaction and onboarding both shareholders and the new management and executive team, there were some direct impacts to and for brand at both an internal and an external level. Internally, it was primarily about the people and the need to inspire, motivate and secure their engagement levels into the future. Externally, the key issues were centred on the pressing need to regionalise, grow and move with the evolving market conditions.

5.6.1 The external – regionalisation, growth and markets

Market demand was expected to taper significantly in South Africa directly after the construction for the 2010 Football World Cup was finalised and the predictions were pointing firmly to a slower market cycle. Posed with the pressure of a high performance business and nowhere to turn for growth, something of a status quo was developing in the company. New product development of this magnitude was highly unlikely, so growth would need to come from new markets:

> *I need to stress the African opportunity and challenge. The need to be across the region is a business imperative, but a challenging one nonetheless. We have to proceed with both aggression in pursuit of the opportunity; and caution in respect of our risk management strategy - not an easy task initially but an exciting one. (34:55:120)*

The challenge set for the business prior to the transaction, was the stance of a global shareholder that was largely Afro-pessimistic and did not possess the risk appetite for the market. The new shareholder however placed a different emphasis on this entirely and was visibly committed and excited about the prospects of the region, the challenges and associated risks notwithstanding:

The growth across the continent is eminent and a key part of our strategy into the future. (34:4:35)

With a far more aggressive regional stance and an appetite for acquisitions and joint ventures across the continent, brand would take on a new role and format externally and was about to be fully reconsidered and visited by the new owners. The new brand would naturally also have immediate consequences for people in the organisation, which is the subject of the final discussion in this case analysis.

5.6.2 The internal - people

As is wont with human nature, where there is change there is uncertainty. This site displayed similar patterns albeit that there was also a strong, but nervous optimism about the new ownership and direction. Amongst the senior team who were staying on as part of the future plan, there was a definite sense of excitement at the growth prospects and new opportunities that this would present – both for the organisation and them. This was balanced with some trepidation and uncertainty in certain quarters:

The new shareholders like the name Afrisam which does have a certain appeal to it, particularly with our regional growth intentions. There is of course lots of internal negativity or uncertainty to the name and the de-linking of a strong international brand, but people are probably just a little scared and insecure. (42:46:113)

The people retention and skill component was thus thrust into the spotlight and would become a critical part of a new brand development process and the attendant human resource and organisational design interventions:

Another change in ownership and a rebranding of this business again is very unsettling and creates a climate of uncertainty - internally and externally. I think this needs to be our single biggest priority right now - resolve and finalise this issue so that we can get people settled down again and focussing on the business to hand. (39:4:38)

Apart from stabilising the current group of people, it was also regarded as necessary to secure the incoming pool for talent that would be necessary to secure and realise the regional growth prospects that were on offer to the revitalised group:

Talent and skills will also be an issue. We need a different type of person to make Africa happen and will need to acquire new skills in networking, unlocking the right kind of deals and getting closer to customers. (35:11:42)

An organisation that was classically focused on production and processes rather than oriented towards brand in the true sense appeared set to embark on a more brand-aligned journey that would possibly witness the brand play a greater role in internal unification and behavioural change, while embracing a new era externally, and embarking on an independent and regional African focus. Activity at this site was curtailed in 2008 and continued observations of the organisation thereafter have been largely through electronic and print media, and general market observation.

5.7 Conclusion

Table 5.2 provides an overall assessment and breakdown of the case analysis across the dimensions of the framework utilised and categorises these themes into either positive or negative constructs in terms of the notion of brand alignment as a strategic business framework.

Table 5.2: Brand alignment Case B

Framework	Summary: positive	Summary: negative
Brand context		Brand is approached as an identity management programme. A very prevalent production, process and performance orientation.
Brand influence		Performance culture wins the day. Values are present and specific, but people feel disengaged. Leadership change and a state of flux, with bias toward technical and production orientation.
Internal external	Identity management is the external focus and is well implemented with high levels of consistency.	No internal brand orientation beyond identity and messaging activity.
Structural	Single monolithic brand throughout the group. Significant skills, systems and support in the business – largely production and technical.	Very high level of centralisation and control. People fatigue through the culture and disempowerment due to nature of control.
Impact	External focus to drive transaction transition, revenue growth and strategic regionalization. Internal emphasis on people and level of engagement as strategic imperative. Brand envisaged to play an increasing role in both.	

This case is indicative of a large, dominant, international commodities manufacturer with a considerable track - record being evaluated in the period after an aggressive acquisition and localisation of a national market player. The local implementation of a global brand has been conducted with precision and discipline and the business results have been good in a demand led market. Regulatory changes and a high level of internal disengagement of staff coupled with an environment of uncertainty around change have given rise to a business undergoing considerable upheaval at the time of the research investigation.

For the purposes of this research study and analysis, Case B is defined as a contrast case in the brand alignment overview and this data is utilised to interrogate theory development and add richness to the research findings through the contrast and data comparison process. Of interest is the intent signalled by the new leadership, under new ownership, of the need to approach brand (and internal brand specifically) differently. The incoming executive see the need to create a new organisation through their people and appear to recognise the role that brand can play in doing this, and potentially how it can create competitive advantage by aligning the internal brand efforts with a new external expression to market, in a changing cement industry.

CHAPTER 6 – CASE C: BANKING STUDY

6.1 Background

6.1.1 The business

Back in 2004 Nedbank was faced with considerable challenges and a highly uncertain future. The bank was losing market share, its reputation was at an all time low, ROE had dropped to 0.4% and its efficiency ratio climbed to 80%. Following a R2bn capital injection from parent company Old Mutual, a successful R5bn rights issue, significant write-offs and in excess of 3000 retrenchments, Tom Boardman was appointed Chief Executive and tasked with the rebuilding of Nedbank.

Apart from significantly improving financial performance and restoring the faith of investors and the financial community, a key challenge existed in taking the Nedbank brand from being a niche market player up against better funded mainstream competitors, to one which would be more customer focused and would appeal to a broader spectrum of the market. Re-engineering of the business as a whole was a key part of the bank turnaround and the role of brand would prove to be a critical catalyst in the transformation of the new Nedbank several years later. Early objectives for the bank were set for realisation in 2008 and an extract of some of these typify the importance of the role of brand to the organisation:

- Regain market share in key retail product areas and penetrate the mass market
- Retain leading positions in key wholesale market segments and grow the business banking franchise

- Reposition and stretch the Nedbank brand for broader market appeal
- Become a bank for all South Africans
- Become the best place to work for in the financial services sector.

Core business strategy informed a redefinition of the brand and the supporting marketing initiatives, anchored in the restated vision *To become Southern Africa's most highly rated and respected bank….by our staff, clients, shareholders, regulators and communities* (77:67:58). The emergence of a vision-led, values driven organisation was encapsulated in what is referred to at Nedbank as the 'Dagwood', an overall one-page strategic summary of the issues important to the rebuilding of Nedbank.

6.1.2 The brand

From a brand perspective particularly, much consolidation of the brand portfolio had been carried out in the period preceding the research project, as part of the turnaround strategy. This involved the collapse and migration from a portfolio of some 38 separate brands in an attempt to dramatically simplify and unite under a single brand. This included some household names in the South African banking industry such as SA Perm and the NBS. While this migration was not yet complete at the time of the research, significant progress towards a monolithic brand had been achieved. The brand had also been completely repositioned in order to appeal to a far broader spectrum of the South African market, and more fully support the growth requirements of the organisation, returning profitability and viability of the business back to shareholders. The strategy and leadership style in this case, which is reported on in detail in the analysis, placed particular emphasis on the brand as strategy and supported this with a very clear internal branding and cultural alignment effort.

From a brand perspective, the business still has certain strategic anomalies such as the continued exception of BoE Bank and the fact that it is allowed to sit independently as a brand within a group that has largely aligned under one central brand. Nedbank's size, as the smallest amongst the 'top four' in the South African banking industry, coupled with 'for sale' signals from its primary shareholder, Old Mutual, have made it a continuous target for potential suitors and triggered much market speculation. The aborted efforts of HSBC recently and the speculation of a Standard Chartered takeover have been laid to rest at the time of thesis finalisation and the executive message is now suggesting that the 'for sale' sign has been removed from the door. Notwithstanding its market position relative to its primary competitors, it offers an interesting perspective on the concept of brand alignment.

6.1.3 The approach

A comprehensive series of interviews across executive and senior management structures was conducted at the site, representing a spectrum of group shared services as well as specialist clusters within the bank such as retail, business and corporate banking. This covered local and regional perspectives only as the bank had no international reach of a scale that warranted consideration. Research and strategic documentation were made available as data for analysis at this site and regular attendance and participation at company conferences, certain marketing exco meetings, annual results presentations and brand workshops enabled rich data gathering and observation. Table 6.1 summarises the data gathered in the analysis of Case C.

Table 6.1: Data gathering Case C

Data Source	Description
Interviews	23 interviews were conducted during 2007/8 and these were selected from senior and executive management. This covered a total of 19 individuals, with a second interview being conducted with 4 of the interviewees.
Documents	Several strategy documents, comprehensive marketing and communication collateral, annual reports and research reports were utilised to construct case description and aid the analysis of data – 22 documents were prioritised and considered.
Observations	Attendance at certain marketing exco meetings, brand workshops, results presentations and marketing conferences during the period of data analysis from 2007 through 2011. A total of 16 key events were considered in the process.

The case analysis was conducted through the examination of a number of core themes that would deconstruct and assess the overall approach to brand as a strategic tool and the alignment of the internal and external brand in pursuit of a competitive advantage. In order to unpack this, the overall brand context was first examined, followed by the extent to which brand was both influenced in the business or acted as an influencing factor. A consideration of the internal to external brand link followed and then an examination of structure as an enabler or obstructer of the business was also evaluated. In conclusion of the analysis, an assessment of the impact made by brand on the business was conducted as well as the consideration it would play in the future strategy of the organisation. In conclusion to each case, a summary was drawn as to the status of the case as either a brand alignment support case, if positive, or a contrast case if summarised as being negative.

6.2 Brand context

It was very clear at the onset of this case analysis and interpretation at this site, that brand had been placed high on the business agenda, both internally to the organisation and externally. It was by no means claiming to be the leader amongst the top retail banks in the country, but had clearly demonstrated a case for brand as part of a turnaround strategy and organisational renewal across both the corporate and retail business clusters.

6.2.1 A catalytic role for brand

The brand as a tool for change had been deployed across a range of areas in the bank, from shaping culture, to driving employee of choice status and aiding the delivery of service and results to the market.

On the employee front the brand helped to capture meaning in the business and deployed a key message to the market in pursuit of new talent in a competitive industry cycle. It had helped to package an employer brand internally, while also connecting and delivering service externally:

> *We have developed a stated internal brand proposition and defined this as our EVP. We are using it as a tool for talent acquisition and retention; and for use in driving our employer of choice position. As mentioned earlier, we are positioning the brand in new and interesting places in our search for talent. (64:25:64)*

The EVP (employee value proposition) had been about more than pure recruitment and retention of people but had also been actively used to cascade meaning and behaviour definition to employees who were required to deliver the revised external brand proposition in the market.

This is discussed in detail later, but an early point in this issue was expressed by the senior executive responsible for human resources:

> *It is a big area for us and is deeply embedded in the business, through brand and the EVP process. Our values are our virtues and they are well cascaded, implemented and measured on scorecards throughout the business. (64:35:90)*

The brand was thus placed centrally, at the heart of this service business through a connection to people and culture. From later dialogue with the CEO it will become evident that this was part of a conscious turnaround strategy influenced by a cultural practitioner and through global benchmarking within the industry. Brand as culture was expressed as follows, both simply and in a more refined manner:

> *Internally, the culture is seen as the brand. (75:51:124)*

> *The brand is who you are and who you are is how you operate. It can't be a different culture and can't be mutually exclusive. The brand is not about the logo, it's what we stand for, what we can do for you and everyone has to demonstrate the brand. As far as possible it has to be consistent. (75:63:156)*

This alignment with people and culture was then ultimately pushed through in the form of delivery across a number of fronts, notably the external expression positioned to the market as 'Make Things Happen'. The internal to external alignment issue is explored more deeply in a later section of this report but the point is made now under the premise of brand as a catalyst for change and as an enabler of corporate action or behavioural shift, in line with a new strategic direction and intent:

> *We have used our brand framework as a basis for driving company efforts and ensuring that we do what we say we are going to do. (69:12:51)*

Make things happen has been a strong rallying call in the business and has prompted people to act in a customer centric way. (70:17:60)

In support of the above verbatim interview extracts, the following excerpts are included from the chief executive's section of the 2008 annual report (47:44):

...we have focused on building an organisation that is vision led, values driven; our commitment to using corporate culture as a competitive advantage.

Long term success needs a compelling vision and a solid foundation built on principles and values that act as a centre of gravity.

While brand was acting as a catalyst for a number of tactical and functional areas in the business, it was simultaneously informing a new organisational philosophy and way of doing business; this is elaborated upon in the following section.

6.2.2 A brand led approach

While there were divergent views at the site regarding the extent to which the bank was brand orientated, the data pointed overwhelmingly in support of a strong brand led approach to doing business. The few that were cynical would see it as a function of marketing and at times were critical at the magnitude of expense on the external brand. By far the majority of respondents highlighted the fact that while it played a role in marketing, brand had been placed at the core of the business and was playing a far greater and more central role in the bank. The CEO stated his view quite simply:

We are a brand led company following an inside-out approach. (77:19:51)

Whereas other managers in the business would be a little more elaborative:

> *Businesses that have managed to be brand lead will hopefully tend to endure longer and be more successful, to bring the company values to life and not separate the core of the business from the rest of it. (66:50:153)*

Pragmatically, it was of course more than the brand in isolation that was responsible for the turnaround at the bank, but it was widely held to be a key part of the process and there was sufficient evidence, both anecdotal and specifically tracked, that could verify this. A rigorous measurement and monitoring practice was in place to substantiate investments made in the internal and external change processes and these were used as constant barometers for progress and course correction where required. Brand had played a vital role in packaging and communicating this initiative and shift in the business:

> *Our turnaround is evidence of dramatic improvements in results but this is obviously more than brand alone. Brand has however been very effective in helping us to package strategy, vision and values and message this throughout the business. (70:39:113)*

Of course there are always challenges to the process and in a world of financial services there is no shortage of accountants, actuaries and analytical people. Some cynical views would argue that a bank could not be brand led without a marketer at the helm, but this view was not common and the vast majority came out in strong support of an influential leader achieving a massive change in the business. A pragmatic view of this was offered by one of the divisional managers:

The cynics in the business will argue that we are still locked into a banking and financial mindset and while this is true in some quarters it is also the reality of the business we are in. (72:13:50)

The nature of a brand led business implied therefore that brand would be aligned and integrated with the business strategy and this is now examined.

6.2.3 Brand and business strategy

In essence, there is no shortage of evidence at this site to suggest that brand has been integrated with the business agenda and elevated into the overall strategic framework of the bank. Initially, this had served as a catalyst for reinvigoration and turnaround of the business, but over the medium to long term was also intended to play an ongoing role in the continued growth and drive within the bank, to catch up to the other 'big three'.

...we are using this as an instrument of change inside the bank and ensuring that Make Things Happen is almost a strategic call to action ... as part of our business strategy. (69:15:59)

We are a brand led organisation primarily because we put it at the centre of our strategic thinking and our operational execution in the business. (69:11:51)

Since the initial data collection and subsequent analysis, this site has been constantly monitored and actively tracked through continued involvement as a consultant and observer; its strategy has held out well, economic challenges notwithstanding. At the time of the finalisation of this case writing, the bank had just released 2011 interim results and the analyst reports following the next day suggested that they were leading the recovery of the South African banking industry.

6.3 Brand influence

In examining the dynamics around the influence of brand at this site the data revealed two core themes that require specific attention. The first theme is the role of leadership in building brand internally and externally and committing resources to this effort. The secondly theme is the respondent influence of brand in defining a new culture for the organisation that would shift it closer to its intended strategy and business results.

6.3.1 A critical leadership contribution

In a current study centred on the determinants of core value behaviour in service brands that Thorbjornsen and Supphellen (2011:70) posit as one of their hypotheses, that the impact of role model behaviour has a direct correlation with the ability to turn external values into internal ones in order to drive behavioural change. Their study also happened to be in the European banking sector and has a connection to the observations at this site.

The role model behaviour defined and delivered by leadership at this site has been exemplary and is significantly evident in the data, highlighting the impact and influence of the leadership team in building internal brand. The CEO led this from the front in a manner of speaking, but also secured considerable participation from his executive team, management, and in many cases, the organisation as a whole.

The leadership team had taken full responsibility for this effort and while it enjoyed a collaborative involvement from a number of specialist departments within the bank such as corporate communication, human resources and organisational design, it ensured that they were visible, active and a central part of the communication and behavioural efforts around the renewed brand vigour at the site.

> *... [the CEO] has championed this initiative and is a great spokesperson for the brand and the company. He has rallied people around him and is very vocal about the vision, values, brand and philosophy of the business. He is a charismatic leader and has inspired confidence in the organisation, taking his leadership team and the company as a whole with him. (67:40:101)*

> *... [the CEO] has been a crusader on creating a compelling vision, activating the values within the business and driving performance accordingly. He is passionate, committed and charismatic and has ensured that we are all pulling in the same direction. (63:53:112)*

Although the above extracts point to a single individual in the CEO there was also strong evidence to suggest that the executive team around him had similarly aligned itself with this vision and was very much a part of the process:

> *Divisional and operational management also need to be very active partners in the process, particularly in our case where business level decisions are decentralised; as they are leading teams on the frontline and can dramatically influence and impact service delivery and performance levels against the brand reputation and brand promise. (62:50:96)*

Although there was some concern expressed at the level of CEO prominence and influence, a plan was in place to ensure a transition of executive leadership in 2009. At the time of the finalisation of this thesis, the new chief executive is firmly entrenched; much of the strategy developed by his predecessor is still intact, albeit undergoing changes and updates. The interim results posted mid-2011 suggest that this transition has been a success.

6.3.2 Vision led, values driven

Brand in turn has been a vehicle through which the leadership were able to package, communicate and captivate people internally, while enabling dramatic shifts in behaviour necessitated by a business under duress in 2004 and in need of a complete change of strategy and approach. The term SVB was consistently used as part of the leadership communication concerning the integration of *Strategy, Values, Brand* (77:32:74) as the framework being adopted by them to lead this turnaround. The simple unpacking of this statement suggested that the organisation was on a new strategic path, the values were put in place in order to shift the culture and behaviour of the people; and the brand would serve as a catalyst to communicate this both internally and externally under a strong action oriented proposition of 'Make Things Happen'.

> *We are a vision led, values driven business that are working hard to make a difference in the lives of our customers and aiming to become the most highly respected bank in the country amongst our defined stakeholder groups - customers, staff, investors, the regulator and so on. (68:8:55)*

Vision led, values driven was in many parts the work and influence of Richard Barrett (2006), who consulted closely with the CEO and his executive team, employing the Barrett Methodology as an instrument that tracks and measures culture in the organisation and brings the organisational and individual values closer together in order to optimise performance and work satisfaction for both. A part of the data collection and analysis included an immersion into this process and attendance at workshops conducted by Barrett (2006) on his methodology and deployment, together with the management team. This allowed for rich data extraction and understanding of the cultural intervention at this site and was carried through in the case analysis process.

Brand therefore played a key role in the ongoing messaging and communication of the values interventions and ultimately had the core values embedded in the strategic framework that would guide all internal and external brand communication, against which measurement was constantly conducted. The management enthusiasm for this approach was palpable in certain instances:

> *Creating a values and ambition driven environment where people live the values with regards to integrity, respect, accountability, people centeredness and pushing boundaries - these values are ever-present and measured. We believe the closer aligned personal values are with organisational values, the higher our performance and happiness will be. (64:13:42)*

Barrett (2006) has thus also been referenced as a result of work published in the field of cultural transformation. Yaniv and Farkas (2005:447) have also conducted relevant research examining the impact of person-organisation fit in building the corporate brand and reputation. The Barrett (2006) methodology essentially encompasses whole system change in an organisation and is based on his research of mapping 500 organisations in 35 countries over a 10 year period. Barrett (2006:1) concludes that the most successful organisations in the world are vision guided and values driven businesses. His model involves seven levels of consciousness in the individual as well as their set of values and maps this out against an organisation's current versus desired values. The process involves the transformation of values in order to achieve a higher level of correlation between individual and organisational values, thus resulting in greater levels of employee satisfaction and retention, as well as improved organisational performance through sustainable competitive advantage.

The works of Schein (1986, 1990, *et al*.) have also constituted a key reference in this section, given the sizeable body of work he has completed in the field of culture and its impact on organisations. Schein (1990:109) posits that while there have been many efforts to be empirically precise about cultural phenomena, we are still operating in a context of discovery and are therefore seeking hypotheses rather than testing specific theoretical formulations. The connection between brand and culture inside the organisation therefore serves as a new perspective, worth investigating further.

6.4 Internal to external

The preceding section takes a close look at the internal focus on values and culture, under the direction of inspired leadership. Here we examine the extent to which the organisation was able to translate this externally to the benefit of its external stakeholders and ultimately the performance of the organisation. Sartain (2005:89) refers to this as branding from the inside out.

6.4.1 Going beyond leadership

The impact of leadership on building the brand internally is well documented in Section 7.3.1. Looking beyond the role and commitment of the leadership team, it was evident that there was a process in motion that had built considerable momentum. There was much evidence in the data, not in a utopian sense, but realistic enough to indicate that there was a spirit, willingness and capacity for the entire organisation to rally behind the effort – ultimately their futures depended on it:

The little activists in each individual are coming out to drive it. You can see the results in the Brand Dynamix survey, it's definitely more out there - we have 27000 good soldiers to make it happen. (64:39:106)

I think it has to be collaborative and no one individual or department should be in charge. Ultimately our CEO should be the owner of the brand and should delegate to the organisation as a whole. (63:52:108)

The entire brand proposition, internally and externally, had an extremely strong call to action. 'Make Things Happen' carried a clear internal message that there was work to be done which had to be carried out as soon as possible. It was more than a marketing slogan, but a real statement of purpose in the business that forced an energy, dynamism and activation, based on the leadership directive and the allocation of the right resources. This created an enabling environment and a high level of accountability throughout the bank. This was made very clear by a senior retail banking manager:

Performance expectations have been made clear throughout the business through well communicated strategies, divisional goals and objectives and detailed individual scorecards in all of the key roles. These objectives are evaluated against outcomes and people are held accountable, rewarded and corrective measures taken where necessary. This has done a lot for us in the retail cluster where we have improved considerably in our service levels, in spite of quite dramatic growth. (65:12:62)

Measurement was constant and was ingrained into the discipline of action. This increased the level of accountability and also rewarded people for the right behaviour. Naturally it could also adjust inappropriate behaviours and actions with the necessary corrective steps. A senior executive from the People Practices unit put this comprehensive measurement perspective forward:

> *We have developed comprehensive scorecards throughout the business, from the executive team, down. These scorecards address a range of performance standards and measures across multiple dimensions that are aligned to our business strategy. By implication, the correlation between brand and our business strategy, translates into scorecard influence and thus a link to behaviours and performance. The Barrett method also tracks this on a holistic, company-wide basis and interventions are designed against this to address gaps, or conversely support successes, as they arise. (68:20:75)*

It was clear at the site that the momentum had been built and while leadership set the pace and remained actively involved, they had succeeded in igniting the rest of the business in an empowering manner, under what was an interesting organisational structure, not without its challenges, which will be covered in Section 7.5.

6.4.2 Service delivery

A fundamental premise of this shift in focus and vision was to drive a more engaging, service-oriented organisation that would aggressively go after the growing retail segment in the market and fast-track their efforts across a whole range of established market segments. Accelerated growth was a requirement for their very survival and the mandate was clear. The point of differentiation identified by the strategic team was the opportunity to build around a strong service proposition – in what is primarily a service industry. The brand strategy embodied a 'smart with heart' construct which was positioned to encourage people to think both intelligently and with empathy, to arrive at a deeper understanding of their clients and therefore achieving a higher level of service by making a difference – all under the proposition of 'Make Things Happen'.

This is somewhat over-simplified here, but the net effect was a range of service delivery interventions that were set in motion:

> *Things like Ask Once and Local Heroes are company initiatives that are centred on our deeper understanding proposition; and our desire to impact the lives of our customer. (69:18:59)*

> *Within the branches there are Brand Champions or Ambassadors responsible for the nitty gritty of making sure that the presence in the branch space around posters and activation elements happens. These people have been on training for behavioural change and are helping people within the branch environment to address a client in a different way. (74:22:68)*

The above extracts are tactical, on-the-ground examples of service delivery put in motion and demonstrate the connection between the executive view and vision, translated into actionable results at the customer interface of the business, highlighting the pragmatic and action-oriented nature of the change programme.

6.4.3 Connecting externally

The concluding aspect of this section was to examine the data for evidence of how the internal effort translates at an external level and to assess the efficacy of the initiative in delivering on the external promise to market. 'Make Things Happen' conveyed a strong consumer promise and was quite transactional in nature, creating a certain level of customer expectation. This was intended by the executive team and was to serve as a barometer against which the organisation could measure itself. Internal respondent views offered the following sentiment on external perceptions:

While we are smaller than the other large players I think we have led in a number of areas and we have differentiation in certain parts of our business and corporate banking space, as well as through initiatives like Ask Once, which we believe everyone else is trying to mimic. (72:46:103)

Our brand is well defined and is clear in the market - clearer than other players I would argue; and we have a long list of achievements, accolades and results to substantiate our claims. (63:44:116)

In support of the above verbatim quotes, a series of external market research reports were examined, the most prominent and consistently applied being the annual Brand Dynamix Study by Millward Brown (2010), which tracks the whole sector's brand performance. Suffice to say that the bank had done exceptionally well in most of the metrics under evaluation, such as overall market presence, relevance in the retail segment and strong gains in the consumer bonding score, with an exception being in the high net worth space where they had lost a little ground owing to their broader retail reach.

The final point worth noting, which links with the executive vision and leadership, is the extent to which the bank has held firm on its investment in the brand. Although the smallest of the 'Top 4', they have retained a marketing expense equivalent to the largest of the grouping – a considerable commitment to investing when you contemplate the economic challenges of recent years.

6.5 Structural

An examination of the key structural issues at this site revealed an interesting and somewhat challenging approach to organisational structure, referred to internally as a federal system. This section looks at the implications of the federal model deployed, what its strengths are and some of the key problems it also imposes on brand in particular.

6.5.1 Systems, processes, skills and competencies

Within the skills and competencies context, the issue of people was prioritised at this site and the institution displayed a heavy investment in the training and development of its personnel. Apart from the traditional human resources and organisational design functions, a senior executive was the head of a People Practices Division, looking at key transformation imperatives as well as developing future leadership. This principle is conveyed in several verbatim extracts:

> *We follow a people first strategy and aspire to become southern Africa's most highly rated and respected bank amongst all our stakeholders. (77:21:51)*

> *Among our strategic objectives is the war for talent and transformation, trying to keep the ship going in the right direction even if there's a storm. Nedbank feel that they have really invested in their people from a learning point of view, preserved their talent and re-energised them. We will resist the turbulence and we will be successful in the end as we are slowly catching-up now. (64:15:43)*

> *Our retention strategy is very important and very simple. It is about conversations had with people and individualising it. This is where the bank's brand means a lot. (64:27:69)*

In evidence again with this final comment, was the importance associated with the role of brand in building and personalising the human connection. A multitude of training initiatives, skills development programmes and specifically the 'Leading for Deep Green' programme amongst the 'top 200' in the bank received regular mention in the data. Another final point on skills and competencies was the acknowledgement that this bank had built specific capabilities and competencies in certain niched divisions such as corporate banking, where the best mining engineers were employed to structure the best mining transaction deals, owing to their specific capability in this area.

There was also considerable evidence to suggest that the people focus was being met with the supportive adoption of technology and systems to improve the customer focus of the business and enhance the service delivery expectation that was being upheld strategically. The bank had undergone a sizeable information technology upgrade and the sentiment regarding these changes was positive, as a result of the requisite amount of training and support.

> *Back-offices are kept small and tight; and we make good use of systems and technology. Technology is critical in the banking environment as keeping costs down is important. (64:32:82)*

> *Our systems efficiencies have improved through large scale capex and software upgrades and we have deployed best practice across a range of our delivery platforms and channels. (67:19:63)*

While the technology and systems upgrade was regarded as substantial there was also executive appreciation for the fact that this would need to be on going and there was still a considerable amount of catching-up to do, given the neglect that the system had suffered in prior years. Nonetheless, the process was underway and people felt supported.

6.5.2 The federal model

The data revealed a strong focus on the structure of the organisation and the implications of the concept of brand alignment at this site. It brought into sharp contrast, the advantages and disadvantages of the system that the bank was using. In the first instance, the model is explained and the benefits are extracted, whereas in Section 7.5.3, key challenges are also highlighted.

The federal model as it is described within the bank is effectively a combination of partly centralised and partly decentralised structures, or essentially a hybrid of the two. Certain functions key to the well-being of the bank and for which there are cost advantage possibilities, are held centrally in the system, whereas others are delegated to the clusters and business units to enable a culture of accountability and decision making at the marketing end. The CEO describes the concept using the political system:

> *Contrasting countries as an example and take Austria versus the old USSR. Why doesn't the USA just break up the states and make them autonomous? The individual states wouldn't want this as there are sufficient benefits for them to remain a part of it. Something like foreign policy for example, has to be done through Washington and cannot be done in isolation. It is therefore apparent that one has to define different things. (77:35:79)*

At a more operational and pragmatic level, the federal system is viewed by a senior manager as follows:

> *The bank is small enough to be run as a single entity and regulatory and governance requirements are met at the centre, but divisional executives have been empowered to make changes and respond according to market needs and conditions - this is regularly referred to as our federal model. (60:16:77)*

At a strategic level a key consideration in the adoption of this model was driven by the cultural shift and turnaround intent of the business. The

CEO was quite adamant that customer centricity could be achieved only through empowerment of people and accountability as a core construct. The intention was therefore to enable the organisation to do so – to be market responsive and agile. This was intended to enable the external brand promise and bring to fruition the 'Make Things Happen' promise. The head of strategic planning explained the point as follows:

> *Its simplicity lies in the fact that we are formed in specialist clusters around the banking value chain or market segments and contain focused business units or departments within the cluster as the case may be. This allows specialisation and keeps us in touch with our customer - closer to her needs and in a manner that enables speed of response. (62:24:77)*

Demonstration of the bank-wide commitment to the concept also came in the form of systems support to enable this proposition and the customer centred environment as a whole: this was offered by the head of technology:

> *This has been good for business and is true to our philosophy of customer centricity. We have supported this at the centre with good system architecture that enables responsiveness to the customer but protects the bank's security requirements and upholds the expectations of the regulator - a definite balancing act at times, but it works. (67:26:78)*

It was evident during the data collection and immersion phase that there was a clear need in the organisation to shift away from the previous legacy of highly centralised decision-making, control and to an extent elitism. The CEO and executive team were clear that the success of the turnaround strategy would be dependent on driving a more entrepreneurial and agile bank, with more decision-making closer to the customer. This ultimately had a key influence on the structure and certainly on the strong shift in culture.

On the continuum of centralised versus decentralised notions the bank thus had a far stronger leaning towards the decentralisation model, with only certain key services and principles being held at the core. Something like regulatory compliance and governance for example was strongly dictated at the centre, whereas sales and marketing activities were delegated to the business unit — a clear source of challenges which will be addressed subsequently. A high level of decentralisation experienced much support from many of the senior managers and executives:

> *... [the CEO] is resolute on this model however and it is unlikely to change – it ensures responsiveness and fosters and entrepreneurial culture to an extent. It also allows measurability and certainly holds people accountable. (76:26:72)*

> *The nature of the organisation is decentralised so the divisions get what they need to get the numbers. Again goes back to culture, values and leadership. (61:58:143)*

Undoubtedly the model had supported the business renewal process and played an important role in shifting the organisational culture and behaviour towards a more responsive, action-oriented banking environment, with a greater emphasis on the client and a higher level of service commitment and delivery. It was however, not without its challenges and internal detractors, which is the basis of the discussion which follows.

6.5.3 The challenges facing the hybrid

Several of the business clusters or in particular, those supplying centralised services were caught in the cross-fire of this model while attempting to deliver a level of consistency in centralised support while witnessing the market-facing unit engaging in an entirely different activity of their own accord. This was responsible for both high levels of frustration and clear inefficiencies of process. It also exhibited aspects of fragmentation in certain instances, which was most evident within the rapidly expanding or growth focused retail sector. Much of the frustration led to tension between who ultimately made the decision, that is, the business unit trying to optimise the relevance of an issue within the cluster or against a specific market need, versus a more centralised team who needed to look at the bank or brand in a more holistic, coordinated manner. While this impacted many aspects of the business in different ways, the most evident area appeared to be the conflict of thinking between the retail cluster, which had a high growth mandate and pressure to perform as opposed to the services teams who were responsible for the overall group. From a retail executive perspective:

The federal model does have its limitations and frustrations and I know there is a lot of tension between central marketing and retail. Retail feels that marketing do not understand the emerging South African consumer and marketing accuse retail of cheapening the brand and executing very inconsistently. (72:30:81)

This view is contrasted by a member of management from the group marketing team whose role it was to provide centralised support and service:

> *The federal model as it is referred to is frustrating to marketing, as people in the business often think they have better answers and do their own thing, which I often feel is undermining the marketing effort and the brand as a whole. We have been given the resources in people and budget but we just need to find a way to work more consistently across the bank around brand. (73:24:73)*

In the main, the model was taxing due to its matrix nature, and the complexity and lack of clarity that this at times would create. This gave rise to comments with regards to slowness of response, unnecessary layers of decision making and challenges around people dynamics and personalities within an organisation of this size. Several verbatim extracts are offered here to state the point:

Where people are involved there will always be challenges. Where we allow politics and personalities to prevail, our collaboration efforts will always be undermined. Thankfully however, this is in the minority and by and large our spirit of cooperation is right. (68:27:93)

Our functional structure – channel, product, segment, businesses results in too many staff and a host of inefficiencies (multiple eye syndrome), duplication of efforts and slowness in making a call. We need to be one. (61:31:107)

At times our federal model is problematic in that it is challenged by consensus seeking to satisfy the requirements of different parties. (63:31:90)

The challenges notwithstanding, there was also the reality check that the nature of banking does have specific requirements. Issues such as governance, banking regulation and security, and the necessity for control in many issues, were also acknowledged from a systems and process perspective:

The central controls can be a little slow and cumbersome at times, but one must sometimes accept that this is the nature of banking. (62:28:82)

Our federal model has created some brand challenges which we are aware of and with banking as our core business numbers will sometimes override marketing decisions. (70:11:48)

The leadership intention was clear however – the model had struck the strategic balance between retaining governance and control, but had also enabled greater agility and customer responsiveness in the bank. This was unlikely to change and the evidence suggested that the executive intent was unwavering in its commitment to uphold this approach and ensure that it stayed on track. The respective clusters, business units and central shared services would have to find solutions to their challenges:

> *A hugely fragmented organisation with active internal competition as a part of its historic legacy … is trying to change this and has shifted the emphasis 180 degrees. (71:29:103)*

> *This does have complexities in certain cases where line and support will clash or contradict one another, but we are adamant that this is the solution that has delivered our turnaround and upon which we will build going forward. (70:25:72)*

In supporting this strategic thrust, the cultural programme and value-set at the bank had collaboration as a core theme, which was actively communicated, embedded and measured throughout the organisation as part of the Barrett methodology and system. It was therefore an ongoing commitment and work in progress in the business.

At the time of the finalisation of the thesis an interesting perspective is offered by Adler, Heckscher and Prusak (2011:100) reinforcing the construct of the importance and significance of a shared purpose in the organisation and how what appears to be a complex matrix structure, can offer substantial competitive advantage, precisely because they are so hard to sustain. This view supports the strategic and leadership direction at this site, in spite of the structural challenges evidenced therein.

6.6 Impact

The analysis of the data brings into focus many different aspects of brand, both internal and external, at this site. In narrowing down the primary themes and key emerging constructs in the data, this centres on the role that brand has played in turning this business around and the continued influence it is having on the sustainability of this business, thus highlighting and providing insights for the development of theory and its practical implications.

6.6.1 The strategic turnaround

The state of the business is recorded in earlier sections of this case analysis and will not be repeated here. Suffice to say that the bank was in dire need of a significant intervention and reassessment of its strategy and operations in order to remain relevant and viable. While a challenge of this nature does need to be approached holistically and involves a multi-faceted approach to all aspects of an organisation, it is widely acknowledged by the management and executive teams and evidenced in the data, that brand played a very significant role and was intelligently utilised as both an internal and external mechanism. The chief executive brought this sharply into focus during his interview:

> *Since the height of our turmoil in 2004 we have adopted an SVB approach - strategy, values, and brand. This wasn't just about positioning the brand, it was a holistic look at the company and what the brand stands for; and has driven a range of interventions throughout the business. (77:32:74)*

His comment above alludes to an external positioning role for brand, but highlights the critical role it also played internally in galvanising a team of people in a strategic direction and driving a host of internal initiatives and interventions that would realise operational shifts in the business.

In an acknowledgement of both component parts of the brand philosophy, an external and internal perspective are offered for both in summary of the role that they have played at a strategic turnaround level. In the first instance, a macro perspective from a marketing executive in the strategic requirement for brand in the market is given:

> *The socio political shift of 1994 necessitated imperative change and this mono-brand is a fabulous success story of internal adoption, in spite of some internal cultural resistance. In some respects the competitor model has been adopted but brand could not take the same stance and we have had to create a perceptive difference through the use of our brand, that is, an appreciation of the need to be different rather than fall into the 'me too' trap. (71:47:169)*

This macro view was supported at a micro, internal level with the following verbatim extract that was offered by a senior executive operating in a line management function, in the heart of the retail business:

> *We are a bank with a winning attitude and our tails are in the air again. We have come off a base of non-performance, arrogance and elitism - a failed strategy; into an institution that is energised, recapitalised and aggressively competing with the other large players in the market. This has restored confidence in the business and given us the belief in ourselves again as a bank. There is a strong desire to win and to continue achieving and to be the best that we can be. (65:7:45)*

At the time of the finalisation of this thesis, it is clear that this bank has survived the economic onslaught of recent years fairly well and is outperforming its peers in the market recovery process, according to analysts (Business Day, 2011). The organisation has also survived both real attempts at and speculation around acquisitions and both the new chief executive and the representative of its primary shareholder have gone on record to suggest that the ‘for sale’ sign is off the door – a clear sign of market and shareholder confidence that the bank has recovered well.

6.6.2 Sustaining competitive advantage

In order to sustain and improve its market position, there was acknowledgement in the data that there is still work to be done and the interventions regarding brand and the business as a whole would remain focused and ongoing.

Service in the banking category and the country generally is fairly poorly rated and this continues to offer an opportunity for differentiation that is difficult to replicate. This case holds out a market proposition that strives to penetrate that gap and provided that the organisation continues to deliver against that, and while it drives towards ongoing improvements in that area, it could well capture this territory on a sustainable basis. The head of retail confirmed this as a key opportunity:

> *... [retail management] are trying and they have every intent of doing that. ‘Ask once’ at one level is a differentiator. Service levels are poor generally in South Africa and banking is amongst the worst – this gives us an edge, providing we can deliver on the promise. (66:39:122)*

Delivering on the promise naturally has wide and far-reaching implications to the business which suggested a whole approach to brand. By implication, this would include systems, operating procedures, training and development, the ongoing commitment of leadership and a coordinated effort between the external promise and the internal alignment against that. This case has displayed a series of initiatives that support a holistic approach to building the brand-led organisation and are thus offering up a framework that could advance theory development and practice. People remain central to their effort and that has been reflected throughout this case analysis. Specific aspects of skills, knowledge and capabilities were brought into focus by a senior executive in the corporate and business banking cluster:

> *We are a technical business in many respects and in the corporate banking sector it is our people and intellectual property that is the differentiator. (63:13:55)*

While building competitive advantage was a key component of the turnaround and the protection of a sustainable market position, the issue of growth was also brought into the strategic brand framework in the ensuing section as a business and brand imperative for the bank.

6.6.3 A vehicle for growth

The drive for growth featured very prominently in the analysis of the data and emerged as a core strategic issue for the bank. Resting on their laurels and waiting for a turnaround was clearly not a desirable state for executives at this site and the continued pressure to perform and grow was defined as being paramount:

> *This renders our recent turnaround fragile and we will remain pressurised for growth and continued gains against our other primary competitors. (76:5:38)*

> *We need to keep running harder to stay in the same place and this is a huge challenge. Our growth and turnaround in the last 3 years has been off a low base and a loss making position; and while it is hailed as a success the pundits may argue that this was the easy part, suggesting that the real work lies ahead. (62:4:40)*

This growth imperative largely took on two forms in the data – the need to further penetrate the retail segment of the market in South Africa; and to grow the overall offering in Africa. From a retail perspective it was evident that scale was essential as it is a volume based business and it was therefore necessary to drive a higher transaction rate and achieve the critical mass. The executive responsible for the retail division offered the following perspective:

> *We also have to keep the momentum achieved in our retail growth and ensure that we can continue on this path, investing in further brand expansion, innovative distribution strategies, systems deployment and the people required to deliver against this - a substantial objective in the light of what we have achieved in recent years. (65:5:41)*

During the case investigation and analysis, the bank was engaged in the development of a partnership agreement with a leading West African bank that was increasingly regional, but not yet in the southern part of the continent. It was and still remains a work in progress as it has not developed into an acquisition or joint venture as at the time of the finalisation of this thesis. It does however bring into focus the issue of regional growth for the bank, the second of their growth imperatives as they have lagged behind substantially amongst their peers in this area. The executive team were clear regarding the priority of this particular challenge:

> *Our growth across Africa is also a key issue as I mentioned earlier - we have to play catch-up across the continent with the likes of [...] and this will require considerable resources, effort and focus. (69:6:39)*

Brand is fundamentally tied to both of these growth imperatives. At a retail level in South Africa, the relevance, affinity and loyalty of the brand remains essential to the client acquisition and retention strategy and continues to constitute the key component of how the offering is taken to market. Brand related issues and impact were also evident in the African expansion and partnership initiative. This took the form of a co-branding expression and posed another complexity for the bank with a degree of fragmentation in how they were executed and the way this manifests for the brand externally and internally for that matter. This situation was regarded as temporary in nature and was something that executives were working at resolving, subject to the conclusion of the commercial parameters of the deal. In summary, the brand and the growth intent of the bank were inseparable in the data.

6.6.4 Inside out

This case analysis represents a service industry and it emerged clearly in the data that the intangible value and contribution of people were of paramount importance. The SVB (strategy, values, brand) framework was the anchor in determining the vision led, values driven approach to the strategic turnaround and people were always at the centre of it. In the quest for enhanced operational performance, improved service delivery and heightened customer centricity, all of this was led through people – admittedly with strong support in the form of systems improvements, resources and leadership. The data thus points to an emphasis on people and an inside out approach to turning the business around. Brand was placed at the centre of this and brought to life the shared purpose, executive vision, core values and ultimately behaviours required to transform this business. This executive view states the philosophy at this site quite clearly:

> *In my mind it is symbolic of a brand led approach to doing business and certainly highlights our internal focus or our desire to lead the category through people and an inside out philosophy - an area where I believe we can build an edge over our competition. (72:36:89)*

This was supported in the language of the CEO, who leads an answer to a strategic question with:

> *We follow a people first strategy... (77:21:51)*

In their emerging body of work in this field of internal brand and an inside out approach, Sartain and Schumann (2006, 2009) place great emphasis on the role of people and the interrelationship and influence of brand. They highlight that it is a virtuous circle in many respects as employees build the proposition in the organisation and ensure competitive advantage through it, while the brand in turn has increasingly become a key component in the war for talent and the retention and engagement of people (Sartain and Schumann, 2009:178). While the bank does not lead its sector in size, scale of transactions or assets, and remains among the top four in the country, it has demonstrated a strong brand orientation and leadership in the deployment of brand as a system and catalyst internally to the organisation, preceding the outward expression and ultimately delivery to market. It therefore serves as a useful proxy in this thesis and the development of further theory around brand alignment.

6.7 Conclusion

Table 6.2 furnishes an overall assessment and breakdown of the case analysis across the dimensions of the framework utilised and categorises these themes into either positive or negative constructs, in terms of the notion of brand alignment as a strategic business framework.

Table 6.2: Brand alignment Case C

Framework	Summary: positive	Summary: negative
Brand context	A catalyst for change and business turnaround – strategy, values and brand. A whole approach to building brand, internally and externally. Brand at the centre of the business, both strategically and operationally.	
Brand influence	The high impact of leadership in shaping this. Building a vision led, values driven organisation.	
Internal external	Organisational alignment and impact, beyond the leadership influence. Commitment to service delivery. Connecting to the outside and delivering the promise.	
Structural	Supporting brand through deployment of systems, skills, processes and competencies – a holistic approach. Centralisation of core services and governance; decentralisation of market facing aspects – a federal system.	Complexities and challenges in the hybrid model.
Impact	The success of the turnaround strategy. Brand support for sustaining competitive advantage. Impact of brand in driving continued business growth. An inside out approach to building brand alignment.	

This case analysis has evidenced an organisation that has deployed brand as a key part of its business strategy and turnaround, having placed it at the centre of its external repositioning and supported it with a strong internal drive. Brand is embedded in the business and integrates with strategy, values and culture definition, rendering it more than a function of marketing.

For the purposes of this study and analysis, Case C is defined as a support case in the brand alignment overview, with the data overwhelmingly positive and in support of a brand aligned approach at this site. This data is utilised to build theory development and add richness to the research findings through the analysis and data comparison process. Leadership change at this site has occurred and the strategic model and approach remains intact.

A competitive advantage has been achieved through the explicit linking of culture and brand and the clear methodologies that have been put in place to support this. The turnaround strategy and results at this site, as well as the many quoted comments from the interview with the chief executive and extracts from the annual report, underpin this connection between competitive advantage and the brand alignment approach.

CHAPTER 7 – CASE D: RESOURCES STUDY

7.1 Background

7.1.1 The business

In November 2006 Exxaro came to the market in a listing on the Johannesburg Stock Exchange (JSE), representing the largest black economic empowerment transaction in corporate South Africa. This new company comprised an unbundling process and included the merged assets, operations and people from Kumba Resources, Eyesizwe, Ticor and Namakwa Sands, thus forming a sizeable mining, minerals and resources business with a strong foothold in Southern Africa and a formidable international reach.

Notwithstanding the respective legacies and equity in each of the merged entities, a decision was made to form a new corporation reflective of the significance of the transaction and to effectively portray a 'new generation' mining, minerals and resources company with proud African origins and aggressive international intent and capability. As a result, a new corporate brand was taken to market to capture this proposition.

At the time of finalising this thesis Exxaro was approaching its fifth anniversary and has achieved much in a short space of time. It has also proved to be a very interesting case with regards to brand alignment in a category not historically known for a strong brand approach due to the commodity and production orientation of the industry. Apart from embracing this approach at a strategic level, the organisation also made a clear resource and budget commitment to building an appropriate brand and reputation amongst its peers in a rapid, but robust manner.

7.1.2 The brand

The brand at this site was newly formed in the recent period prior to the investigation for this research. It was borne out of the merger of four separate entities with each of the existing brands being collapsed in favour of a newly developed organisation and corporate brand. As such it was a young brand, underpinned by significant mining and resources track records, scale and heritage of the organisations, shaping the new entity. Its brand stance in the mining and resources sector was regarded as category breaking by its peers, the media and mining analysts; it had taken a fresh and dynamic brand approach in an industry sector often perceived as being largely technical and production orientated. What made it a clear case of choice as part of the research investigation and analysis was its strategic position in regard to brand on the inside, which it emphasised and clearly demonstrated in the findings covered in this case analysis.

The commitment to people was clearly demonstrated by leadership at the outset and it was evident that a strong inside-out philosophy was deployed – in part as a function of the merger requirement, yet also as a commitment to a differentiated approach in a mining and commodities industry. This strategic approach appears to have worked as the organisation stabilised rapidly in a post-merger environment, matched by excellent business results and amongst the leading share performances on the stock exchange. The internal brand orientation has also had short term gains with data suggesting that it has done exceptionally well in attracting young talent to the organisation around its recruitment efforts, while retaining the highest number of PhDs employed in a commercial company in the country, suggesting that the brand has succeeded in supporting its employee value proposition efforts and human resources function.

7.1.3 The approach

A comprehensive series of interviews across executive and senior management was conducted at the site, representing a spectrum of group shared services as well as operational general managers. This covered local, regional and international perspectives. As the international operations had exco responsibility domiciled in the local market, this view was adopted locally. Research and strategic documentation were made available as data for analysis at this site and regular attendance and participation at certain board and exco meetings, annual results presentations and brand workshops enabled rich data gathering and observation. Table 7.1 below summarises the data gathered in the analysis of Case D.

Table 7.1: Data gathering Case D

Data Source	Description
Interviews	12 interviews were conducted primarily during 2009; these were selected from senior and executive management. This covered a total of 11 individuals, with a second interview being conducted with 1 of the interviewees.
Documents	Several strategy documents, corporate brochures, annual reports and research reports were utlised to construct case description and aid the analysis of data. 17 documents were considered in the data gathering process.
Observations	Attendance at certain board and exco meetings, brand workshops and results presentations during the period, pre-interviews from 2007 through 2009 during the data gathering and analysis phase; with further executive engagement during 2011. 15 events were utilised for purposes of observation.

Case analysis was conducted by the examination of a number of core themes that would deconstruct and assess the overall approach to brand as a strategic tool and the alignment of the internal and external brand in pursuit of competitive advantage. In order to unpack this, the overall brand context was first examined, followed by the extent to which brand was both influenced in the business and/or acted as an influencing factor. A consideration of the internal to external brand link followed and an examination of structure as an enabler or obstructer of the business was also evaluated. In conclusion of the analysis, an assessment of the impact made by brand on the business was conducted, as well as the consideration it would play in the future strategy of the organisation. In conclusion to each case, a summary was drawn as to the status of the case as either a brand alignment support case, if positive, or a contrast case if summarised as being negative.

7.2 Brand context

The brand context at this site was examined to form an overall view of the role, impact and relationship between brand and the business, given the complexities of a protracted merger, corporate unbundling and stock exchange listing of what was being defined as the most significant empowerment transaction in corporate history under the new South African dispensation.

7.2.1 A category surprise

The mining and resources industry is typically not associated with a strong brand orientation due to the nature of the industry – a commoditised product offering, with a strong technical orientation and very little, if any, consumer focus. This case proved to be a complete contrast in that respect, as the company had embraced a very strong brand orientation and viewed it as a part of their corporate reputation and profile externally and used it as a very powerful catalyst internally during the merger process to stabilise anxieties and to galvanise the organisation behind a new strategic intent and essentially a new organisation. In a climate of change and uncertainty around the exact dynamics of such a large-scale corporate transaction, the brand focus served to guide the organisation and move the business in a certain direction. The executive responsible for innovation and growth saw it in the following light:

> *Brand is reputation and we can package our DNA - powering possibility needs to drive our future strategy and display our values. Our brand needs to act on its own point of view and create its own future rather than waiting [sic] for it to happen to us. We need to show this capability, empower people and be proactive. (98:13:60)*

In shaping a new vision and strategy for the organisation, the executive team displayed a bold approach in their leadership and management orientation, using the brand expression externally in a compelling way in a fairly conservative industry, while deploying it with an even greater emphasis internally, to align people to a new organisation with a common purpose and new business intent. This ultimately lead to a strong inside-out approach and was a case that displayed significant leadership influence in the data, as well as a whole approach to building brand and thus brand alignment.

7.2.2 Brand as catalyst – merger, people and culture

The merging of four different entities, one of which in turn was fractured from a large corporation during a parallel unbundling process, created a climate of immense uncertainty and anxiety for people in the respective businesses. The data suggested that brand played a pivotal role as a catalyst for defining meaning in the newly formed company, creating a new identity under which people could align with the business, and building a platform from which executives could communicate and clarify the new strategic direction and intent of the evolving organisation. This binding featured in the dialogue with managers:

> *I think that our ability to keep an overall sense of community with a complex merger situation and with widespread operation has been an excellent achievement. (90:54:139)*

> *The seamless integration of [...] and [...] has been evidence of the efficacy of this approach and the strength of the brand as a catalyst in the merger and throughout the business. (98:22:90)*

In the short term surrounding the merger, the brand served to acknowledge the respective entities that had joined to form the new listed organisation and identified their contribution in the scale of the transaction. At an operational level and with widely dispersed geographic locations, the brand also helped to create a sense of assurance regarding the identity of the mining community in some outlying areas, again with the assurance of their role, contribution and future participation in the new entity. The net result proved to play an essential role in creating an environment of stability through the brand surrounding the merger dynamic and very critically, ensuring that there was no disruption to the production process and corresponding output quotas. The data suggested therefore that in the immediate term, people felt settled and secure as far as possible. They also revealed a critical role in shaping the longer term culture of the business, which is commented upon in a later section of this case analysis. In the interim, it was evident that brand played a very important part in informing strategy in the organisation; this is examined in the following section.

7.2.3 A strategic brand approach

During site observations and participation at various workshops, it was evident that brand was also utilised to influence and shape the strategic direction of the organisation. From the initial brand as a basis of identity, a company vision, mission and clearly defined set of values were formed. Naturally the technical, operational and systems deployment were already defined and intact, but the brand construct was utilised to shape and communicate the intended strategic direction of the organisation. This was supported by the findings in the data and confirmed in various forms by the respondents who were interviewed:

> *Our brand and our reputation are now one and the same thing. (92:27:60)*

> *The brand as an expression of the organisation itself however becomes very important when selling internationally, emphasising delivery capability and promoting the overall business, this is critical. (96:20:56)*

> *I think it is very brand led and we have seen this across the operations and into the current Group day to day activities. (99:12:49)*

The evidence in the data supports the observation that this mining and resources company had placed brand right at the centre of its business strategy. This was further endorsed by the fact that brand was made the responsibility of the corporate affairs executive, externally, and with a highly collaborative mandate with human resources and organisational design departments, internally. Furthermore, the corporate affairs executive reported directly to the office of the chief executive and thus ensured that it had keen leadership attention and the appropriate allocation of resources, financial and otherwise.

7.3 Brand influence

The inter-relationship between the brand and component parts of the business in terms of influence primarily straddled the territory of leadership, culture and the extent to which it aided the definition and communication of values throughout the company.

7.3.1 Brand and leadership

The extent of the impact of leadership on the brand and the degree to which the brand also aided the leadership role in an interdependent relationship, was very evident at this site. This influenced executive management and operational line management alike, suggesting a holistic and integrated approach to utilising brand internally throughout the business.

Executive leadership had visibly embraced the brand as part of their responsibility and were actively engaged in guiding, communicating and supporting it: externally, as an early commitment to establishing corporate reputation; and internally, as a critical people and culture imperative. Respondent views indicated strong support of their role and influence:

We can really say that we had absolute buy-in. They all knew what they wanted. They set the tone - very crucial. Even sceptics such as [...] were converted, they were very supportive. (90:45:112)

...[the CEO] has been a very inspirational leader and it is clear that he has actively supported the process and leads the brand and business by example. (99:44:92)

In addition to executive level involvement and support, line and operational management were also actively involved and supportive. This was not without challenges at certain locations due to their community natured orientation, which had strong sub-cultures. That notwithstanding, line management were included in the vision and the formation of the values underpinning the brand and played an important role in upholding it. This constituted a critical part of the success of the internal brand rollout owing to the reality of multiple locations and the distance or absence of head office management at each and every location. An exco member made this connection to the operational level of the business, while the corporate affairs executive confirms the importance of line management:

> *Strong operational leadership also supports this principle and the fact that we have a top-down orientation toward people all make up a part of this. (98:25:94)*

> *Line management has to feed down to their employees. The brand forms the cornerstone of their thinking. (98:25:94)*

The high level of brand support and orientation at this site was undoubtedly largely a function of leadership vision and strategic ability to recognise the opportunity that it would present to the business at the time and into the future, through accelerated development of a strong corporate reputation, supported by a highly aligned internal team.

7.3.2 The shaping of culture

Brand and culture were intertwined at this site and there was evidence of both gains that had been made in the post-merger dynamic, together with clear signals that there was still a work in progress at this site; given the complex nature of the organisation. Different pre-merger alignment, geographic operational splits, skill and literacy levels, language differences and racial divides were all elements that came into play regarding culture and integration. Brand had been effectively utilised in assisting the shaping of a newly defined culture and was widely regarded as successful, with some people still being of the view that a lot more needed to be done. The more evident divide in culture alignment tended to be centred on the differences between operations and head office, the former being spread over many locations – nationally, regionally and internationally. A senior manager from organisational design offered the following perspective from a group services point of view:

> *At head office, we use the brand in all of our people and management development efforts and it continues to play a central role in a lot of our organisational design and change work. I think it is powerful and has been a big part of our change programme over recent years. (99:13:49)*

She continued with a comparison of this with some of the operational challenges being faced in the business, driven primarily by strong community sub-cultures evident in the mining industry:

> *The push back at times is challenging and some of the sub-cultures in certain communities are very strong. At times we need to manage these, particularly in cases where it is stronger than the Group brand. (99:32:74)*

The collective evidence at this site, however, pointed to the formation of a cohesive culture that had begun to take place over a very short period. There was wide acknowledgement that brand and culture were not considered as being mutually exclusive, but conversely, were seen as being highly interlinked and working together to create higher levels of cohesion and alignment in a merger environment. A senior general manager, actively involved in a core area of operations in the business, offered a cultural perspective at the time of declining commodity processes and an impending economic slowdown linked to the global economic crisis:

> *What is very interesting in the business around culture is that challenging periods have a way of uniting the business and becomes a test to galvanise people to act in unison, marshalling in a particular direction through a well-defined sense of purpose. I get the feeling that we have created this through the effective use of our brand. (96:15:45)*

Barrett (2006) was also present at this site in a commercial capacity. While his methodology was not deployed on an ongoing annualised basis, he had aided the early facilitation process of unpacking different values of entities involved in the merger and re-alignment in a new, common company direction. What was interesting however, was the decision by the executive to utilise the brand as the platform and basis for building meaning and shared purpose in the organisation, through the ongoing efforts and deployment of their organisational design team, supported by specialist consultancies where required.

7.3.3 Bringing meaning to values

Bringing culture to life at this site was therefore taken very seriously and interventions were put in place to ensure that values were made real and were understood in the business. At a tactical level a series of activities were implemented to ensure that the values were made tangible and conveyed clear meaning and purpose to people in the business. This included initiatives such as storyboarding, where strategy, business imperatives, and the values of the organisation were visualised in a story format and conveyed to people at all levels of operations, thereby overcoming issues of illiteracy, language and culture. This was explained by a member of the marketing team:

The brand platform has been communicated comprehensively and the OD team builds this into their tools and methods as well. It is taking time, but I think the messages are clear and well understood. (90:33:95)

Brand was therefore deployed as a vehicle for internal communication and values activation throughout the business. A series of brand champion workshops were conducted to create brand ambassadors who were equipped to better understand the role of brand and how this translated into values and behaviours; the workshops were instrumental in cascading this further into the organisation. An ongoing set of leadership road shows across all operations were also conducted to ensure leadership communication and support for the process, as well as visibility and demonstration of active, hands-on involvement throughout the change process and the bedding down of post-merger operations. Foster, *et al*. (2010:402) highlight the connection between the activation of values in an organisation and their impact on the performance of the business. This site displays clear evidence of this and this matter is pursued during the cross case analysis and subsequent discussion and recommendations. A senior manager on the change management programme commented as follows:

The brand is central to all that we do and it is embedded in the vision and values of the organisation, very much impacting the culture of the business and the way things are done around here. (99:33:78)

The influence of the Barrett (2006) methodology was evident in part at this site and there was a certain amount of reference to the concept of a vision-led, values-driven business. A cross case analysis is conducted later in this thesis, but suffice to say that it was not adopted quite as intensely as case C had displayed. The said methodology was adapted to suit the specific culture and operating system of the organisation, probably owing to the nature of a production or product environment, rather than that of a service organisation, with a strong penetration of information technology as a platform from which to communicate to people internally and also as an enabler of service delivery. There were thus similarities with Case C in the early use of the Barrett (2006) methodology and an observation was made by the author in this regard, whereas the ongoing use and full adoption thereof was not deployed at this site.

7.4 Internal to external

This section of the case analysis examines the issue of who in the organisation is responsible for building brand and driving alignment, while also looking at the degree of connection between what is conveyed and expected internally versus that of the external communication and brand building.

7.4.1 A collaborative approach

While there was strong evidence of an active leadership and executive involvement in the internal branding and brand alignment process, this was also evident in many other levels within the organisation, in demonstration of a clearly collaborative approach and style. A senior manager in corporate communication summarised this view:

> *Brand and reputation is everybody's responsibility and the CEO should champion it so that all employees can act accordingly. (94:43:85)*

The role of structure is covered in the ensuing section of this thesis; however, a balance was evident in the blend between departmental accountability and an organisation-wide approach. The corporate communication team largely drove the overall brand development process and as part of the strategic controller model, reported directly to the CEO. This gave them accountability with attendant resources and responsibility as confirmed by a senior manager in the business:

> *I think the different departments have cooperated with [.....] and his team well and of course it has also been very well supported by exco. (99:43:87)*

The inter-departmental involvement and support was also clearly visible in the data and demonstrated a high level of collaboration, in particular, at the centralised head office level, where the shared services entities were required to develop and implement solutions for the operations within the business. This revealed that the cooperation between corporate communication, human resources and organisational design was that of an overall team being responsible for the internal and external brand deployment, with continuous emphasis on the support from the executive. As an example of the extent of the collaboration, this verbatim extract from the data underpins the approach:

> *The exco team also backs this up and someone like [...] to whom we ultimately report, is often talking about the brand and making sure we include it in our OD, HR and change interventions. (99:45:92)*

Collaboration was challenged most between the central shared services and the operational side of the business, symptomatic of the typical 'head office dynamic' in which shared services teams are perceived to be distant from the operational necessities and realities of the business. Some of the brand effort and activity also drew cost criticism from within the operations where it was considered as unnecessary and irrelevant expenditure. However, this was the exception and was part of a managed process in which the leadership and management development programme was actively engaged in changing. An extract was offered by a manager from the organisational design team:

Management have the use of the [...] pack which I am working with [...] on and we use this to ensure that the line managers also have a common and consistent framework to talk to people in the operation and ensure there is uniformity in the message and shared learning. (99:26:66)

Data continuously supported the organisational commitment to the process of brand alignment and the combined responsibility of leadership, management and the organisation in its entirety. The executive responsible for innovation and growth commented quite comprehensively:

The brand and the vision of the brand should align with the business vision and the articulation of this needs to be driven at exco level, all the way through to the operational levels of the business – all people in [....] have a responsibility toward the brand but so too do we as leadership, to create the right context for them to understand what is required and what this means in terms of acceptable and unacceptable behaviours. (98:26:98)

This brings into focus the overall orientation and emphasis of the brand as an internally lead initiative in the formation of a new organisational entity, the subject of the ensuing section.

7.4.2 The inside delivers the outside

The data revealed an organisation clearly focusing on building a leading corporate reputation, but with an extremely strong prioritisation on an internally lead process. The nature of the case organisation was that it had virtually no consumer facing aspect to it and was focused primarily on the business-to-business market, engaged in product supply and supporting technical solutions and advice. Although it was not a consumer brand, it placed great emphasis on building a credible and significant external profile targeting analysts, investors, media and the communities in which it operated, but also placed a clear emphasis on the people internally in the newly formed entity. In the words of several respondents:

It has an image of being a company that is well run, as well as having a high standard of doing business. (95:11:40)

We are a progressive, dynamic and exciting business that is seen as different in the mining sector. (99:14:53)

The strength of the external brand and reputation was supported by a very clear internal proposition that was positioned to aid in the resolution of the merger dynamics, create an environment that would enable the new corporate brand promise; and stimulate talent retention and acquisition. The latter was critical to the organisation given its expansion and growth initiatives, coupled with the skills shortage and the requirement to meet transformation targets in the sector. Although essentially a mining and technical organisation, it placed a strong emphasis on skills and education and demonstrated leading qualifications statistics in the industry. The success of their talent attraction as a consequence of the new brand was recorded by the head of organisational performance:

We are attracting younger people to the business and I believe this has a lot to do with our brand. We are known to be professional and successful and I think that talent is drawn to our business, which of course is very important to our future. (99:15:53)

Beyond the merger dynamics and the formation of a significant new mining organisation, the internal focus of the brand also demonstrated an alignment of organisational delivery, capacity development and ultimately, performance. This ensured that the realities of the business were met and that the promise being made to the market was understood and delivered from within the business:

> *What the brand is expressing and offering must be aligned with the processes in the business - if not, everything is under threat. Therefore there has to be total alignment from the visionary part right through to practical delivery. (96:34:69)*

> *People know that they have a role to play in 'Powering Possibility' and this shares meaning in the business for everyone. (92:20:48)*

> *The high performance teams are equipped with a set of tools that enable them to share meaning and define the vision, values and strategic priorities of the business. At operational levels the storyboarding process has been extremely effective. (99:23:65)*

The internal orientation at this site constituted a balanced approach and was possibly biased in the initial stages owing to the people challenges and change interventions surrounding a merger context. Evidence suggested that it settled, however, and the company was able to utilise this brand and culture alignment to great effect in yielding operational results and inadvertently preparing itself for the commodities slowdown that the economic crisis delivered. Throughout the case investigation and analysis, this company has continued to yield amongst the top share performances on the Johannesburg Stock Exchange across all sectors, suggesting that there is a measure of success and learning at this site, based on their overall achievements to date.

7.5 Structural

A cross case analysis of structure makes for an interesting comparison and evaluation of the role that structure plays in creating a brand-aligned organisation. This is covered in the next chapter while the current attention remains focused on this specific site in isolation. Mahnert and Torres (2007:56) and Sartain (2005) highlight the role and bearing that structure has on enabling strategy; at this site, the correlation or link to the brand influence is most evident.

7.5.1 The hybrid and the monolithic brand

This site demonstrated a blend between both the centralised and decentralised organisational structure. It was not often referred to as a hybrid and it intuitively felt more centralised, yet they had achieved a balance between what was held centrally and was delegated or made autonomous at the business unit level. This was defined as the strategic controller model and is elaborated upon later in Section 7.5.2.
The executive responsible for corporate affairs and ultimately brand, has a clear view on the approach at this site:

> *The governance model of the organisation has a key role to play in terms of where you manage the brand from. If you have a strong centralised model in your business it would make sense to run the brand centrally. (89:31:105)*

Suffice to say that brand was held centrally and was thus approached in a fairly controlled head-office manner. While this was perceived as autocratic in some quarters it was ultimately accepted and regarded as critical to the success of the brand integration process around the merger. There was comment about a level of resistance from the business units at times, but ultimately they aligned and the organisation as a whole rallied behind and supported the centralised efforts around the new brand. A senior manager on the organisational performance team offered the following perspective:

From time to time we do have challenges with some of the operations, but having spent time there myself, quite extensively; we are sensitive to their challenges and are able to help them through some of the issues and get them to understand the central thinking. (99:31:70)

By virtue of the model and structure; and the decision that brand would be positioned at this level, the support for a monolithic brand was fully reinforced and driven at an executive level. This meant that all entities merging under the new organisation became a single brand, which was applied with rigour and discipline across every aspect of the business, through operations, joint ventures and product treatment. Once again, there was an element of resistance at the operational level due to the strong sub-cultures that prevailed in the mining community environment; this was confronted by their own sense of communal identity and manner of operation. The change process and rigour of implementation prevailed, however, and alignment was achieved across all fronts. The executive general manager responsible for coal operations supported the initiative, in the following extract:

A monolithic brand was created centrally and the decision on how this would be implemented was very clear. I think because we had the strategic controller model, which defined the structure, it was easier – cash, resources, people and brand belong to the centre. (96:39:79)

His comment above introduces and brings into focus a more direct consideration of the role and concept of what was defined as the strategic controller model and how this impacted on the brand alignment approach. It also raises the ongoing relevance and possible evolution of this approach over time.

7.5.2 The concept of the strategic controller model

Although the approach to brand was highly centralised, it was only one of the several business aspects that was so — the balance of the operational control was firmly decentralised and placed with the operations and business units. This concept of the strategic controller model suggested that key areas to the group would be centralised. These included strategy, brand, cash and talent, on the assumption that these were core areas of the organisation that warranted overall coordination and direction across the group, while the operations were left to run the technical and product producing dimensions of the business. It was not as simple and defined in the practical application and relied on high levels of collaboration and people intervention. The chief executive summarised the approach as follows:

> *[it] is neither totally centralised nor decentralised and this brought about the strategic controller model which states that the money, talent, image, governance and the overall strategy of the company will be managed centrally. Anything else that doesn't fall under these five headings can be decentrally run whereby employees can do their own thing. (95:19:60)*

In the above statement, the implications were a level of control balanced by a level of autonomy and accountability, with an emphasis again placed on a strong set of guiding values and principles, supported by a strong culture and integrated internal brand; hence the emphasis on brand inside the company as a basis for conducting business.

In the context of leadership decision-making and what aspects of the business were centralised versus decentralised, it is interesting that this site demonstrated a clear prioritisation of brand as a core strategic issue, with the emphasis on control at the centre. Brand, strategy, cash and talent were therefore key areas of the business and were regarded as warranting executive attention and control. In regard to talent, the development of leadership and management, key company skills and competencies, and the ongoing attraction of future talent all lay at the centre of the organisation, while core operations and production activities were fully decentralised. This site displayed evidence that the model had served them well and was confirmed by a member of senior management:

> *The business is still built around operational processes so the structure on one hand looks at business commodities and on the other at a shared services approach. (97:27:84)*

The prioritisation of brand at this site was a clear indication of the importance attached to it and the structural approach fully supported this focus. While this had a bearing on the external corporate brand building and reputation process, it also had a very clear and compelling internal orientation, thus pointing to a strong model of alignment.

While the strategic controller model had served the company well, there was evidence of an open-mindedness and acknowledgement that strategy and structure were dynamic constructs and required ongoing evaluation and consideration. At the time of the finalisation of this thesis, the organisation was revisiting the model in an assessment of its relevance and validity as an approach to the future. This was confirmed by a senior manager from the organisational performance cluster:

> *We have an initiative underway at the moment where our shared services model is being examined for relevance, to see whether this is the optimal model for the future, given the constant changes taking place in business. We do need to become leaner and meaner; and more decisive and nimble in our decision making. (98:21:86)*

This comment potentially shows signs of a maturing organisation and clearly one which is prepared to consider evolving in line with market and business conditions. Continued monitoring at this site for further learning and insight is both possible and desirable, and could point towards ongoing or future research.

7.6 Impact

This site held out clear observations and evidence of a brand-led organisation and a company that had deployed brand as a highly effective tool for merger integration and cultural development, while building and defining a strong internal brand as a precursor to a category-breaking and compelling competitive advantage on the outside of the business. As a case, it demonstrates insight into the analysis of practice as a basis for building theory (Vallaster, 2004:110).

7.6.1 Competitive advantage – people and perception

There is evidence in the data at this site that the merger was a significant success and that brand played a sizeable role in the development of competitive advantage, internally through the alignment and direction of people, and externally through the positioning of a definitive and aligned corporate brand. In their study, Foster *et al*. (2010:402) place great emphasis on the link between internal branding and the development of the corporate brand. This case holds up strongly in support of that, albeit that the focus fell on the service organisation for Foster *et al*. (2010). This case suggests that internal branding in a product or production based environment is equally effective and can contribute to differentiation and competitive advantage in the mining and resources sector. A series of comments supports the suggestion of clear competitive advantage:

...our people culture is a definite advantage - we are still soft on people and hard on standards and you can tell that our business and culture is different. (98:31:110)

I would argue that this is an advantage that we have based on a relationship of trust between our people, something that the other players don't have to the same extent. As a result we are used to change and are not set in our ways. This enables us to handle current market realities a lot more smoothly than our competitors. (98:37:124)

In the industry we are certainly perceived as more progressive and dynamic than…. (99:52:108)

The competitive advantage built through people and perception is fundamentally linked to the issue of brand and reputation within this case. The influence of brand on the overall reputation of the organisation is clearly identified in this case and highlights the close connection between brand and reputation in a corporate, business-to-business environment.

7.6.2 Brand and reputation

As a newly formed and emergent entity, this organisation needed to place great emphasis on the role of brand and reputation, which it did with a clear commitment to resource allocation and prioritisation, by ensuring that it was centrally controlled and not left to chance or fragmentation within independent subsidiaries or business units. The senior manager responsible for marketing puts this into perspective simply as a core strategic issue for the business:

Building our brand and corporate reputation internationally needs to be a part of this. (90:9:42)

The human resources executive underpinned this comment in the context of the role of brand and reputation as a critical part of talent retention and continued attraction of people into the future:

> *...have fairly good governance and process around the brand, as I honestly believe the brand is something that you need to protect because if you let it go, it will lead to fragmentation and may disappear as a corporate brand. (91:11:38)*

Brand, reputation and corporate performance were intertwined at this site and were not viewed as mutually exclusive concepts. Conversely, this case demonstrated that brand was a strategic business tool and framework, rather than a marketing effort in isolation. In a comment from an operational executive responsible for one of the business units, it is evident that the effort yielded dividends:

> *At one level the market expects certain results but having said that, once the market sees that management is delivering, brand has a heightened global impact across the business. (96:54:123)*

A measurement of brand equity had not yet been considered at this site during the period of analysis and it was therefore not possible to isolate the direct role of brand on the overall performance and success of the business. It was very clear however that it had played a very significant role in accelerating the visibility and lifting the profile of this important transaction into the local and international markets at an external level, while proving to be highly effective as an internal catalyst for change and shared meaning, aligning some 10 000 employees in a common direction with a clear business purpose.

7.6.3 Growth and sustainability

The success of the business notwithstanding, continued growth and progress was well recorded at this site. A senior executive headed up an innovation and growth team and their responsibility was to refrain from key operations and focus on further business pipeline and prospects for the organisation. The importance of a brand-led approach was again in evidence with this team who had utilised the credibility and reputation to pioneer a number of far-reaching innovative projects that stretched from the core competency of the organisation into new unchartered territory. The confidence to do so was actively supported by the resource allocation of the group as a whole, and sponsored by the credibility of the corporate brand. The executive responsible for this initiative contextualises it as follows:

> *For me it highlights the need to keep innovating and reinventing the brand to stay relevant and keep strategising around this – clearly something that [....] must continue with, in line with an evolving business strategy. (96:62:133)*

At the time of the finalisation of this thesis, this very team was involved in a start-up business that was being launched from the platform of the existing brand. Its credibility and track record aided the generation of strategic equity partner funding, in excess of R500 million; again reinforcing the critical role of brand and reputation in sustaining business growth and results.

This case is widely regarded as a leading South African example of corporate transformation and progress and is viewed in the business community as a benchmark example of corporate citizenship. With this comes a certain responsibility and brand will continue to play a catalytic role in upholding this reputation, strong levels of governance and continued attraction, development and retention of talent; both within the site analysed, the industry, and to an extent, the country as a whole. This is placed in context by the verbatim extracts from the data:

> *From my point of view, stabilising the merger and ensuring the continued growth and success of the business is key – it has a high profile as a South African success story and this has to be maintained. (90:5:38)*

> *...must represent South Africa and offer hope to young people that in the midst of everything, [...] can be their home; matched by being a performance company that contributes to the country by giving them opportunities and supporting families. Finally, [...] is aiming to be an ambassador for the country, operating all over the world. (92:44:86)*

In concluding this case, it is the author's view that it will render the subject interesting in further research and will continue to innovate and develop within the construct of a brand-led organisation, unique within the mining and resources or commodities industry, while spanning innovative diversification opportunities.

7.7 Conclusion

Table 7.2 furnishes an overall assessment and breakdown of the case analysis across the dimensions of the framework utilised and categorises these themes into either positive or negative constructs in terms of the notion of brand alignment as a strategic business framework.

Table 7.2: Brand alignment Case D

Framework	Summary: positive	Summary: negative
Brand context	An approach that is highly differentiated in its category. A catalyst for aligning people in a merger environment and defining a new organisational culture. Brand treated as a strategic imperative in the business.	
Brand influence	A high level of leadership impact and involvement. Brand and culture intertwined and made to work together. Meaning given to values through the process of internal branding.	
Internal external	Highly collaborative environment interdepartmentally; and emphasis across services and operations. Inside out approach enhances corporate reputation.	
Structural	A hybrid between centralised and decentralised, with a strongly monolithic brand. The concept of the strategic controller model. High level of skill, intellectual capital protection and leadership and management development.	Some evidence of resistance from the operations, but overcome.
Impact	A merger success through people and market perception. The brand and corporate reputation highly prominent and acknowledged. Brand ongoing in driving growth and sustainability initiatives.	

This case has demonstrated the use of brand as a powerful merger mechanism and has deployed it strategically throughout the merged organisation as a means of uniting people behind a new and common entity. Brand has been built from the inside-out at this site and the internal expression and execution has led the external offer to the market. It makes an interesting case in an industry such as mining and resources.

For the purposes of this study and analysis, Case D is defined as a support case in the brand alignment overview, with the data being overwhelmingly positive and in support of a brand-aligned approach at this site. This data is utilised to build theory and add richness to the research findings through the analysis and data comparison process. Leadership change at this site has also occurred and the strategic model and approach remains intact.

Competitive advantage has been derived in the process of brand alignment at this site. Organisational culture has been positively impacted through brand and this capability has manifest in excellent corporate financial performance, human resource measures and external market perception, as reflected in the case findings and analysis. This is further discussed in the cross case analysis contained in Chapter 8.

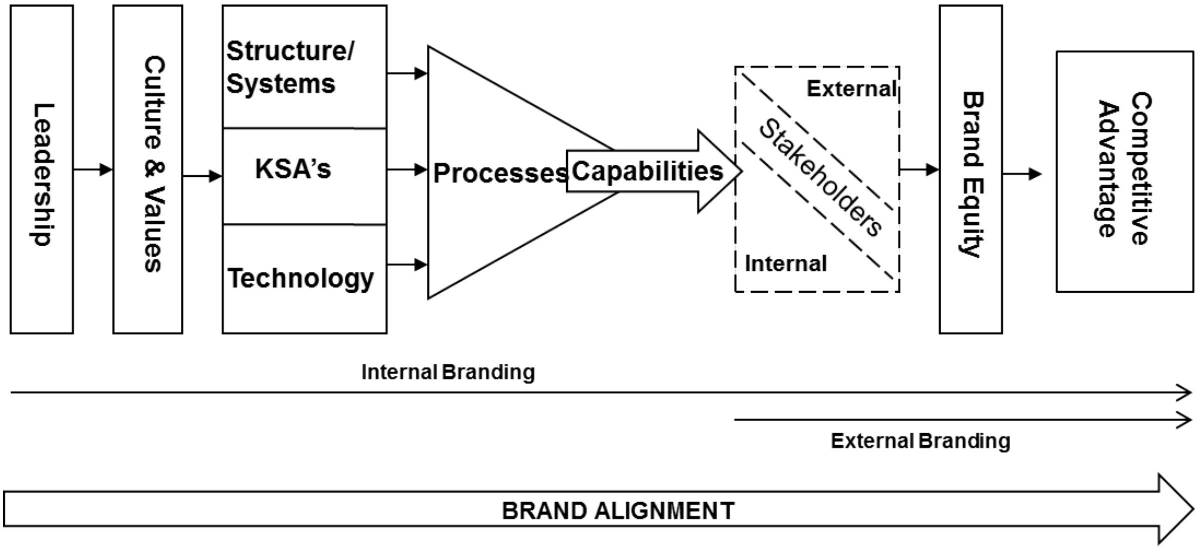
CHAPTER 8 – CROSS CASE ANALYSIS AND DISCUSSION

8.1 Introduction

This chapter presents an analysis of key findings across the cases and an evaluation of their theoretical relevance in pursuit of a twofold contribution to the existing literature. In the first instance, this will reflect on the nature of brand alignment as a business construct in practice; and secondly, as an output of key areas of exploration and advancement from a theoretical perspective through further research.

8.2 Overview

While the within case analysis probed five key theme areas, explained in each case, the cross case approach examined constructs within the context of the development of the business architecture model as a basis for the exploration and articulation of new theory and advancement of management practice. The key data utilised are consistent with the within case analysis and are retained in the cross case analysis, but also reflected in the context of an evolved brand alignment model. The business architecture model posited by Venter (2006:396) describes organisational architecture as 'an integrated strategic response which draws together key dimensions of the organisation and facilitates the formulation, alignment and implementation thereof'. As described in detail in the section dealing with internal branding theory development in Chapter 2, this serves as a useful framework against which to evaluate the various dimensions of a possible brand alignment conceptual model and thus as a basis for critical review across the cases. For purposes of the discussion, the model is depicted at the outset of this chapter, in Figure 8.1.



Source: Adapted from Venter (2006:397)

Figure 8.1: The brand alignment conceptual model

In the analysis, the organisational architecture framework defined in Chapter 2 is unpacked and considered across its various dimensions, while key insights and data from the cases are in turn relayed across the framework and reviewed for possible enhancements and development of a brand alignment approach to building and sustaining competitive advantage through the theory building process. In the analysis, the researcher explores the role and influence of leadership in this process and the extent to which this shapes culture and values in the organisation. He looks at the role of structure, knowledge, skills and abilities as a means for enabling or detracting from the development of the internal brand, and how this specifically impacts brand on the inside. In the process of the analysis, he proceeds to explore the connection with the external brand and how the internal and external brands combine or fail to combine in the development of brand equity. The concluding consideration is in the overall context of an approach to brand alignment across the cases.

Throughout the analysis, data are drawn from the cases that are deemed good examples of brand alignment (C and D) and are triangulated against data from less successful cases (A and B). The observations drawn from these ongoing comparisons are overlaid against current theory and possible gaps in the existing theory, thus building consideration of an evolving approach and practice for managers as well as identifying areas for further academic research.

8.3 Comparisons across the cases

As alluded to above, the core areas for analysis are divided into component parts in this section and are evaluated as independent themes across the cases, initially. In Section 8.4, the author looks at the combined model holistically.

8.3.1 Leadership

The link between leadership and the concept of internal branding has emerged in academic literature in recent years (Vallaster and de Chernatony, 2005, 2006; Burmann and Zeppelin, 2005; Baumgarth and Schmidt, 2010; *et al*.). The views range across myriad approaches and points of emphasis. In the author's view, a gap still exists in the development of a holistic brand alignment model that provides clarity for leadership. Barrett (2006:9) suggests that business and culture transformation is unlikely to succeed unless the leadership team is committed to this process. In a business environment in which change is the only constant, it is the author's view that brand can be deployed as a leader's compass for culture communication and direction to the organisation. In a current study amongst service brands, Thorbjornsen and Supphellen (2011:70) suggest that role model behaviour is a critical dimension if an organisation is to translate external values into personal values through the process of brand internalisation. This places the impact of leadership and management firmly in the spotlight in a brand aligned environment.

Leadership was analysed across the cases in the specific context of their orientation toward brand and the regard for brand as a strategic construct in business. Through this process, the researcher unpacked the extent to which resources were allocated and brand was cascaded beyond marketing and deployed deeper within the case organisation. In essence, he dissected those organisations that viewed brand as an aspect of marketing, or chose to overlook it altogether, in favour of other priorities versus those that took a strategic approach to branding and who recognised and led it as a basis for an organisational wide thrust toward differentiation and the development of competitive advantage for the business. Leadership across the cases is summarised in Table 8.1.

Table 8.1: Leadership dynamics at the case organisations

Construct	Case A	Case B	Case C	Case D
Leadership	Unsettled leadership environment due to constant change. No direct leadership role and impact on brand as a result. Sales and entrepreneurially led. New leadership signaled brand intent in future strategy.	Leadership stability in past but undergoing change due to ownership and style. Technical and production orientation and skill. Highly centralised with high levels of control. New leadership style and approach intended under new ownership.	Visible and brand centred leadership approach and style as part of turnaround. Strategy, values and brand combined in approach. Strong change dynamics due to recapitalisation and turnaround required. Change in leadership at this site and the strategy has remained intact.	Clear and decisive leadership in a merger environment. High level of commitment and resource to brand as strategy. Role and impact critical to the success of the merger. Smooth leadership transition at this site with strategy and approach unchanged.

A changing leadership dynamic was constant across the cases with all four sites undergoing a change of chief executive during the period of data collection, analysis and the preparation of this thesis. This was coincidental and symptomatic of change, rather than a function of specific sampling. Case A exhibited a distinct absence of leadership commitment to a brand aligned approach historically, but signalled intent under new leadership.

We are a bunch of accountants, actuaries, lawyers and analysts so we are not the most brand literate, but are aware that our reputation is key in this new world and giving people a strong identity and cause internally will allow us to travel this path of aligning interests; so I guess we are on the journey. (14:45:99)

Case B held strong technical and production leadership support, with an identity management approach to branding.

[...] is a technical guy so it is probably unfair to expect him to be a natural brand man. In all honesty his focus is on the operational and production aspects of the business and he has a pretty autocratic way of getting things done - very much in accordance with the Swiss influence and expectation. (36:36:97)

Case C and D evidenced strong and holistic displays of brand as a strategic construct in the business and enjoyed clear executive support and buy-in.

Brand is made up of all the collective pieces of the business... (77:67:58)

We do lead it from the top and try to walk the talk; bringing the meaning and understanding to life and taking a strongly participative approach and style to the business. (98:28:104)

Case C had leadership that positioned the brand at the centre of its turnaround strategy, whereas the leadership of Case D had deployed brand as a merger catalyst to define a new business direction and unify people under this framework. Role model behaviour amongst chief executives at sites C and D exerted a considerable influence on the executive teams surrounding them as well as on the ability to cascade the internal brand effort throughout both organisations.

Thornbury (2003:77) brings the responsibility of the leader sharply into focus in the development and sustainability of culture in the organisation. Like Schein (2000) in the ensuing section on culture, she suggests that the business case must be clear, the leader needs to take responsibility and be a clear role model, and that values should be a guide to the decision-making process. Leadership behaviour at sites C and D support these principles clearly.

Vallaster and de Chernatony (2005:196) highlight that the prime responsibility of leadership in building service brands is to align employee behaviours with brand values and suggest the development of broad executive vision, matched by bottom-up social interaction encouraged through shared brand meaning. The influence of leaders, they assert, is through both verbal communication skills and non-verbal influence through role model behaviour. In the author's view, based on case observations and grounding of theory, brand has the capability of aiding the shared meaning and social interaction discussions, contributing to the definition of values and the shaping of culture; this is the focus of the ensuing section.

8.3.2 Culture and values

Schein (1993, 1996, 2001, 2003, *et al*.) makes the connection between leadership and culture suggesting that there is still a great deal to be learnt in the organisational context. He studies the notion of organisational learning through three organisational communities, namely, the operators, the engineers and the executives. While a detailed analysis of this theory is not carried out here in the interest of brevity and focus, suffice to say that he highlights the challenge of alignment, sub cultures and the phenomenon of increasing dysfunctionality within these communities. Schein (1996:229) refers to culture as consisting of shared norms, values and assumptions and suggests that researchers have underestimated the importance of culture due to their emphasis on abstraction through measurement. He purports that culture will be better understood from the observation of real behaviour in organisations, the implication being that culture needs to be observed more than measured. The data collection process and site immersion of this study has provided rich insights into culture at work, across divergent case organisations, in a manner than contributes to understanding the role that culture plays in internal branding, and vice versa, and is carried through as an important construct in an approach to brand alignment.

Barrett (2006:1) posits that the very basis of his methodology is built on the premise that vision-guided, values-driven organisations are amongst the most successful in business. His view is underpinned by the research work conducted over several years by Collins and Porras (1998). Thomson (2002) refers to internal branding as the activities employed by an organisation to ensure the emotional and intellectual buy-in of staff, not only into the corporate culture, but also the specific brand personality invoked within this culture, thus drawing a connection between internal branding and culture.

Culture and values were assessed across the case organisations with a view to understanding their connection, or lack thereof, with brand. Whereas the analysis had started out examining culture per se, it was evident that values were intertwined with culture and played a role in defining meaning and prioritisation of culture. This is supported by the view of Yaniv and Farkas (2005:448) in which they draw from the Barrett methodology on cultural transformation and agree that the greater the level of fit between the employees' personal values and those of the organisation, the greater the level of correlation between the internal brand understanding and the external expression thereof. They do proceed to caution, however, that a high person-organisation fit score (POF) can also have a negative influence in instances where a strong corporate culture stands in the way as an inflexible stance against an urgent requirement for change. Mahnert and Torres (2007:59) also suggest that a cultural fit analysis is essential in the identification of discrepancies between the values of an internal branding programme and the values expressed through organisational culture.

A consideration of values and culture across the cases was conducted in order to establish any prevalence of model or approach that would support the brand alignment construct. The data are set out in Table 8.2.

Table 8.2: Culture and values at case organisations

Construct	Case A	Case B	Case C	Case D
Culture and values	Predominant sales and entrepreneurial culture. Relatively clear set of values shaped informally, in support of culture. No evidence of connection between brand, values and culture. Some future intent regarding further values definition.	Process, production and performance the prevailing culture. Performance orientation dominating the definition of values. Some attempts to link brand and values, but confined to identity expression. New leadership suggesting a revisit of culture and people focus.	Defined as a vision led, values driven business. Strategy, values and brand combined in shaping culture. Clear signs of brand as a catalyst for culture and organisational behavior. Culture and values as a part of the business turnaround success.	Emphasis on an inside out approach and strong people orientation. Brand central to the business strategy and highly influential in defining values and shaping culture. Played a clear role in uniting four different entities in a successful merger process.

The contrast Cases A and B displayed strong cultures of their own, but indicated little or no connection to brand as a construct or were in no way oriented toward a brand culture. Case B exhibited some evidence of the activation of values through brand, but this was confined to an identity led expression that was significantly overshadowed by the dominant performance orientation. To an extent, Case B demonstrates the dangers that Yaniv and Farkas (2005:448) allude to when they suggest that a dominant corporate culture can stand in the way of change.

Some do see us as a rigid, conservative and hard culture (42:9:46)

Case C and D on the other had portrayed high levels of connection between brand, values and culture. Both sites evidenced a clear brand role in aiding the definition, communication and clarification of values throughout the business, through brand as a construct. In both cases, brand was also placed centrally in shaping the culture of the business. In Case C, this was utilised as a means of defining behavioural shifts in line with a business turnaround, whereas in Case D, the role of brand and culture was instrumental in the merger dynamic which took place at this site. Both sites had made use of the Barrett (2006) methodology as an indication of their commitment and investment in culture as a competitive advantage. Case C utilised the methodology on an ongoing basis whereas Case D made use of it in the early stages of the formation of the organisation and subsequently evolved its approach into an internal methodology and system.

Hankinson and Hankinson (1999:136) describe corporate culture as a firm's overall philosophy; as a set of values and beliefs that shape the way people think and behave; and as a glue that binds people in the organisation together, particularly during times of change. His substantial work in the field of culture notwithstanding, Schein (2000:9) suggests that there is little point to culture for the sake of it and that what really matters is the results of the business. Site evidence and data analysis for Cases C and D suggest that both organisations have balanced and blended both of these perspectives in times of challenge and change, in a manner that supports consideration of their contribution or acknowledgement of approach to brand alignment.

This is an example of brand leading business where we have created opportunities around 'on-brand' behaviours and implementation. (77:61:120)

Andrews (2007:19) refers to corporate culture as a strategic weapon and suggests that for a strategy to be value-creating through sustainable competitive advantage, it must, by definition, be very difficult to imitate or copy. Brand by implication has differentiation at its very core (Aaker, 2002) and an approach that blends brand and culture into a common framework will advance current theory and posit new streams of research and investigation. This follows later in this chapter and attention now turns to the role of structure, systems and knowledge in such an approach.

8.3.3 Structure, systems, knowledge, skills and abilities

Burmann and Zeplin (2005:294) highlight the role of structure in the context of building brand led behaviours inside the organisation. From a human resources perspective, they focus on aspects such as reward systems, incentive structures within the system, and their influence on brand consistent behaviours. They also examine levels of control versus empowerment in which an employee is enabled to make customer led decisions in pursuit of delivering the brand promise across all touch points. Their analysis of structure covers the role of the supply chain as an extension of the internal team and also highlights the need for ‘institutionalisation’ of the brand internally, through brand ambassadors and a focus on who takes responsibility for the brand inside the organisation; which is discussed in Section 8.3.4.

Structure in particular, was examined from two perspectives at each site. Firstly, the consideration of the organisational structure in terms of alignment and support of a brand led approach; and secondly, the structure or hierarchy of the brand expression to market, is often referred to as brand architecture (Aaker, 2002). The reason for this is that the business structure and the brand structure are in many instances inter-related (Aaker, 2004).

Thorbjornsen and Supphellen (2011:70) highlight structural and procedural support as being key determinants to driving core brand behaviour in their research into service environments and in the banking sector in particular. They suggest that systems efficiencies, methods and procedures are key to creating an enabling environment in which employees are able to deliver against the brand promise of the organisation.

In a leading study, Keller (2008) identified that brand knowledge was a central driver of brand equity. De Chernatony (2002) supported this view with the reflection that employees working for companies with strong brands normally exhibit clearer and more consistent brand knowledge. Baumgarth and Schmidt (2010:1253) further maintain that good internal brand knowledge can be taken as a prerequisite for a strong internal brand, which contributes to overall brand performance and therefore to brand equity. King and Grace (2008:938) argue that real competitive advantage in today's market is realised through an increased focus on operant resources, skills and knowledge, thus highlighting the critical role of people. De Chernatony and Cottam (2006:616) suggest that 'what is delivered is less important than how it is delivered'.

Knowledge, skills and abilities (KSAs) were compared on a case by case basis and were observed and commented upon in the within case analysis and only where key differences of significance appear across case. This supports the notion that good internal brand knowledge underpins the external brand delivery. Similarly, in instances where systems efforts or deployment are of specific significance, the same is highlighted for purposes of comparison or consideration. Table 8.3 sets out the cross case overview in this regard.

Table 8.3: Structure, systems, KSAs at case organisations

Construct	Case A	Case B	Case C	Case D
Structure, systems, knowledge, skills and abilities	Highly fractured, decentralised – group businesses and subsidiaries. No central shared services to support brand effort. Diseconomies of scale and systems restrictions to group growth effort and strategy. Specific skills, competencies evident in specialist business units, but brand knowledge lacking. No coherent brand structure – part group aligned and several independent brands with no association.	Fully centralised country office, with aligned business units, reporting to global. Shared services held centrally, including marketing, communication, human resources. Strong technical and production skills evident. Disciplined brand identity implementation. Singular brand structure, aligned to global. Some local product brand equity adaptation, based on prior acquisition.	Federal business model, with part centralised and decentralised. Regulatory and governance matters held at the centre. Customer facing businesses highly autonomous. Brand and marketing therefore spread across both – a challenging matrix. Pervasive brand knowledge and communication with several interventions. Banking skills, capabilities in evidence; systems receiving ongoing upgrades. A largely monolithic brand with some legacy exceptions.	Strategic controller model, with production and operations decentralised. Key shared services held at the centre – strategy, cash, talent and brand. Brand and marketing deployed centrally through the group. High levels of skill and competencies specific to the sector – particular emphasis on people, retention and talent recruitment. Consistent emphasis on brand communication, understanding and integration with values. A clearly monolithic brand, consistently applied.

There is no evidence of a single structure that suits the brand aligned organisation in the analysis across the cases. Each case displayed unique characteristics in regard to structure and specific industry sector issues. The financial services cases A and C had little resemblance to each other, whereas the resources cases B and D displayed some resemblance in a single brand context with varying degrees of centralisation. Similarly, the brand aligned comparison in cases C and D, indicated a similarity in inclination towards being part centralised and part decentralised, but Case C displayed a higher degree of brand and marketing autonomy and therefore a greater dependency on a collaborative brand approach. The high levels of autonomy and customer centricity were in sharp contrast between cases B and D in the resources sector, representing organisational extremes in terms of internal brand empowerment. Conversely, Case A was so autonomous and entrepreneurial that brand was entirely disintermediated in the sales focus, suggesting that a more balanced approach in support of brand and organisational strategy is necessary, as evidenced across the other cases, in particular, cases C and D.

In terms of brand knowledge, skills and ability, the range of adoption across the cases was very diverse. It was practically non-existent across Case A for reasons described in the case analysis, the most consistent being that brand had no clarity and definition in the organisation. Case B communicated brand knowledge from the perspective of identity application, while the organisation was caught in the consistency of the application rather than brand meaning and knowledge. Cases C and D again evidenced higher levels of brand knowledge, given the focus on shared meaning, ongoing communication and internal brand interventions such as brand champion programmes, brand leadership initiatives and a commitment to push this deep into the organisation; again referring to the drive at Case D to use storyboarding to communicate across all educational, literacy and language boundaries in the mining and resources sector.

8.3.4 Internal branding

In a recent study within the services industry, Kimpakorn and Tocquer (2010:378) suggest that effective service branding models should not only stress an external orientation, as evidenced in the consumer goods industry, but rather strive to find a balance between internal and external perspectives. Baumgarth and Schmidt (2010:1250) also posit that internal branding has recently emerged as an important issue in industrial markets. They proceed to explore the notion of the employee contribution to building brand equity, a matter which is addressed in Section 8.3.6 of this thesis. Both of these studies coincide with the author’s research process and share the view that the role of internal branding in organisations has become a critical management issue and an opportunity to develop sustainable competitive advantage.

Cross case analysis was conducted to assess whether there was evidence of internal branding as a management construct for consideration in the continued development of management practice and academic application. These comparisons are reflected in Table 8.4.

Table 8.4: Internal branding at case organisations

Construct	Case A	Case B	Case C	Case D
Internal branding	No internal brand orientation evident. No designated individual or departmental responsibility. Some human resources efforts to initiate a values definition programme. Stated executive intent to drive internal brand as a go-forward business imperative.	Limited internal branding effort, seen as identity approach. Marketing and human resources responsible for existing initiatives. No visible leadership involvement in the internal brand. New leadership intent to consider an inside out approach.	Strong orientation toward the internal brand. Internal brand well aligned to culture and values. Active leadership involvement in promoting brand internally. Marketing, human resources, people practices and organisational design all involved. Evidence of some lack of clarity between employee proposition and customer proposition – being resolved.	Newly formed organisation built around the internal brand – an inside out approach. Clear and active leadership involvement and support across the group. Collaboration across corporate affairs, marketing, human resources and organisational design. Concentrated effort to secure line management support and ensure a whole organisation approach, with operational backing.

The adoption of an internal branding approach appears to constitute a clear function of leadership and executive philosophy, and a strategic framework. Case A was held back by a sales and entrepreneurial mindset, while Case B was a function of a global dictate within a strongly production oriented organisation. While cases C and D fell into very different industry sectors, namely, financial services and mining, they nevertheless displayed a common orientation through a leadership commitment to an internally brand-led approach. Whereas issues relating to structure, service versus product orientation, and resourcing of the internal brand, differed across cases C and D, they displayed a leadership led approach to internal brand that had been cascaded throughout the business and aided the achievement of strategic imperatives and organisational results.

Mahnert and Torres (2007:56) offer a succinct definition of the concept of internal branding:

> *Internal branding is the concerted inter-departmental and multi-directional internal communications effort carried out in order to create and maintain an internal brand. Internal branding attempts to achieve consistency with the external brand and encourage brand commitment and the propensity for brand championship among employees. To this end, internal branding is a reflection of the values and the realisation of the promise of the brand internally and externally.*

The inter-departmental point made in the above definition is well highlighted and expanded during this research, notably for cases C and D, where there was evidence of an integration between marketing, corporate communication, organisational design and human resources. This resonates with the view of Sartain (2005) who purports that cross-functional coordination and cooperation have been suggested to reduce internal competition and departmentalised thinking. It also supports the view held by Aurand, Gorchels and Bishop (2005) that human resources play a critical role in the development of the internal brand, by nature of its focus on people. Case B evidenced a caveat in this regard where the organisation displayed vacillation between extremes of human resource intervention between the past and the present. It is the view of the author that the people centred approach to internal branding must be well balanced with the performance requirement of business.

Foster, Punjaisri and Cheng (2010:403) draw specific attention to the coordination of human resources and marketing in the development of a stronger employee brand proposition that plays a role in brand commitment, brand loyalty and brand supportive behaviours in the organisation. They further purport that this is a critical instrument in the talent attraction, retention, reward and development efforts of the organisation; a concept which is strongly supported by Sartain and Schumann (2009). Foster *et al.* (2010:403) suggest that human resources lags in its role as a strategic partner to the internal branding process and needs to engage more actively in the people management practice of delivering on the brand promise. Cases C and D demonstrated this construct well, with active human resource, people practices, and organisational design involvement in the process, suggesting support of the principle and validity within the brand alignment framework.

> *The organisational design and performance teams, together with HR work closely at this and build it into a lot of the training initiatives and interventions. (92:21:51)*

> *They have managed to work closely with HR and OD though and through their marketing and communication efforts have created considerable awareness. (99:41:87)*

At both of these sites there was also a clear prioritisation of the integration with operational management, a notion that lacks emphasis in the literature. Reference to management in the existing internal branding theory alludes to their visibility and support (Totsi and Stotz, 2001) and leadership responsibility for the effort (de Chernatony and Segal-Horn, 2001; Mahnert and Torres, 2007). It is the author's view, as evidenced at sites C and D that line management play a critical role and should constitute a prioritised audience segment to work in tandem with the traditional shared service function in the organisation in order to optimise the efficacy of internal branding. This view is posited by Schein (2000:9) with regards to culture, which is intangible, suggesting that line managers are important in sharing and shaping it. The author's opinion is that internal branding falls into the same ambit. This matter is considered again in the conclusion of the section regarding further research.

Yaniv and Farkas (2005) assert that messages in the organisation should be internally and externally aligned in order to avoid confusion; a construct which connects the internal with the external brand and leads into the ensuing section.

8.3.5 External branding

The extensive literature that exists on branding and marketing as a field or business practice and as an area for extensive academic research is well documented and referred to in Chapter 2 of this thesis. Definitive brand works such as Aaker (2002), Kapferer (2008), Keller (2008) and Kotler (2001) denote some concise definitions of brand as an external marketing construct. Aaker (2002), for example, pioneered the development of the construct of brand equity and suggests that brand is a combination of assets made up of brand awareness, brand loyalty, perceived quality and brand associations. From the author's perspective, and in pursuit of the brand alignment argument, the simplistic analogy of brand as a promise made and a promise kept (Mitchell, 2002:99), implies a marketing commitment and consumer expectation, underpinned by the organisational opportunity and capacity to consistently meet this, to ensure client retention, optimal business results, dominant market positions, and ultimately sustainable competitive advantage.

Burman and Zeplin (2005:293) maintain that the external brand identity of the organisation must match the culture of the organisation in order to ensure congruency of behaviour and adoption of the corporate culture. The classical view of brand, however, is that it is market led (Aaker, 2002; Keller, 2008) and a response to consumer needs, wants and market opportunities (Sherrington, 2003), whereas culture is shaped on the inside of the organisation through the adoption of shared norms, assumptions and beliefs (Schein, 1990; 1996; *et al.*). In the author's view, it is this very 'disconnect' that gives rise to the problem faced by management and defines the gap in the theory, highlighting the need for an approach which matches organisational culture with external market opportunities and enables organisational capability in order to exploit such opportunities.

A detailed analysis of the external brand efficacy and campaigns was not the focus of either the within case or the cross case analysis. The intention here was to examine the connection between the external brand expression and the extent to which it manifests internally in the organisation and impacts or influences the internal brand behaviour or alignment. Venter (2006:397) asserts that the organisational architecture diagram, initially reflected as Figure 2.1 in Chapter 2, is best read from right to left in order to gain a stakeholder view of the important outcomes provided by the organisation. This construct is assessed in the brand alignment model adopting the same assumption. The view expressed by the brand in the market, should manifest internally in the organisation and vice versa. The brand aligned organisation, in the author's view, should exhibit a clear internal commitment and capability to meet the external expression and therefore the promise of the brand.

Table 8.5 below examines the external brand orientation and expression at each of the sites and considers these across the cases.

Table 8.5: External branding at case organisations

Construct	Case A	Case B	Case C	Case D
External brand	Fragmented and unclear due to mixed messages of subsidiary structures. General lack of brand orientation therefore minimal, where evident. Connection between the external and internal therefore largely absent. Intention to change this as future strategy.	Clear external message, well implemented and aligned to global. Level of disconnect with internal brand. Connection drawn with product and business, but not people. New leadership suggesting a new, reoriented approach internally; and new independent brand to market.	Clear and compelling external brand with call to action. Closely aligned to internal brand expression and adoption. Alignment integrated to ensure relevant stretch internally and externally. Internal efforts, systems and approach striving to meet external market commitment.	Low key, but clear corporate brand expression to defined markets. Internal brand understanding and expression leads the external claim. External brand is closely aligned to the internal culture and DNA of the business. Organisation, systems and people aligned to keep the promise.

Case A exhibited a very fragmented external brand proposition that comprised a multitude of offerings across myriad subsidiaries. This rendered the overall alignment with the brand extremely difficult, even if properly attempted. Case B displayed a well-executed and globally aligned campaign, which failed to fully align internally in the local market, particularly in relation to the people aspect. Case C utilised a highly action oriented external brand expression to create organisational stretch and mobilise the internal efforts in the business. Alignment was evident and was signalled as a key part of the business turnaround at that site. Case D had a distinctive external brand expression for a mining and resources brand, albeit low key in terms of main stream media investment. It was, however, extremely well aligned internally to the extent that it adopted an inside out approach to brand with the internal ethos and philosophy of the business informing the outward expression. This observation was unusual for an organisation that was not typically regarded as a service industry and demonstrated an interesting practical application in the resources category that has contributed to the theoretical development of an evolving approach to the concept of brand and brand alignment in particular.

The importance of developing a strong brand with external constituents is well established (Devasagayam and Buff, *et al*., 2010:210). They posit however, that there is a clear opportunity for a synergistic programme which coordinates the internal and external branding initiatives within the organisation. Sartain (2005:89) suggests that the term 'brands' implies more than selling a product or service; that leading companies sell a promise that travels with their offering. She further maintains that effective external branding builds an emotional connection between the message and the offer, based on a number of potential benefits, attached meaning and a compelling reason to engage with the product or service. This offering, she suggests, will either fail or at best achieve only minimal success, unless the employees within the organisation are similarly invested in and nurtured. Her view that the stakes are too high for any organisation to leave brand delivery to chance, resonates with the author.

The external brand is effectively the organisational or product expression to the market. The author's view, based on case findings, is that this is not always aligned internally and understood within the organisation, as displayed in Case A and to some extent, Case B. A misaligned external brand expression exacerbates the notion of marketing as a function and ad hoc effort in the organisation, rather than as a central part of management and business strategy. A holistic and aligned approach to building brand will ultimately result in greater organisational returns, often measured as brand equity; a matter often controversial in application, to which we now turn.

8.3.6 Brand equity

According to Keller (2008:42), the concept of brand equity arose in the 1980s bringing both positive and negative outcomes to the marketing framework. His description of customer based brand equity 'occurs when the consumer has a high level of awareness and familiarity of the brand and holds some strong, favourable and unique brand associations in memory'. In a positive sense, it has raised the importance of brand and initiated both management and research interest. The challenge, however, has been the lack of common approach and definition as to how brand equity should be conceptualised and measured; a debate which still rages to this date (Salinas, 2011) and potentially opens a gap in the approach in support of integration within the brand alignment framework.

In this study, no attempt was made to calculate or determine brand equity measures as defined above, but rather to probe the extent to which brand equity awareness existed within the business and the presence of brand health check or measurement instruments that would in any way contribute to the determination of brand equity, and therefore competitive advantage. Specific attention was also paid to the search for a link between internal brand efforts and how this might influence or contribute to external brand equity calculations. The theory suggests that this is a gap in the current knowledge (King and Grace, 2008; Kimpakorn and Tocquer, 2010; Baumgarth and Schmidt, 2010) in that little attention is paid to the measure of the internal impact on the brand equity calculation, with the focus falling on external determinants, which are largely financial or consumer oriented. Particular attention was paid to the brand aligned cases in pursuit of any evidence contributing to this gap.

All four cases were exposed to a form of financial transaction in the various stages of data collection, analysis and thesis reporting where the notion of brand equity could have been relevant. Outside of the transactional space, the principle of brand equity as a measure of ongoing shareholder value and tracking of the brand could have been applicable, although this approach attracts heavy criticism from Salinas (2011:332) in her review of established brand valuation methodologies. An overview of brand equity orientation across the cases is furnished in Table 8.6.

Table 8.6: Brand equity at case organisations

Construct	Case A	Case B	Case C	Case D
Brand equity	No reference to brand equity as a construct in the business. Private equity buyout of the business during the research period – undisclosed sum. No evidence of any internal brand link to external brand equity.	No reference to brand equity as a finite measure in the local business. Acknowledged by new consortium that an amount of R9Bn paid as 'goodwill' in a transaction value of R13Bn. No evidence of any internal brand link to external brand equity.	Brand equity recognised and considered for valuation purposes. Range of brand health check and monitoring instruments in place. Barrett methodology deployed as a culture alignment tool, linked to business performance. No direct evidence of internal brand link to external brand equity, but potential for further research.	No reference to brand equity as a newly formed brand. Specific stock exchange performance and tracking as a listed entity. Some use of Barrett methodology. Ongoing Deloitte Best Company to Work for Tracking. No direct evidence of internal brand link to external brand equity, but potential for further research.

Case C was the only site at which a bona fide brand equity exercise had been considered but not commissioned. Cases A and B were involved in sizeable transactions during the period of case research and preparation of this thesis, the former being for an undisclosed amount and the latter for a considerable amount defined as goodwill in the interviews. Case D displayed market capitalisation gains on the Johannesburg Stock Exchange that yielded the highest cumulative returns on the Exchange in the period since listing, according to financial data made available during the case investigation. This constituted significant competitive advantage to the organisation in terms of financial performance and stakeholder value creation.

Cases C and D, as examples of brand aligned organisations, yielded evidence of culture measurement and tracking as part of the internal approach to branding. This could suggest a move in the right direction for exploring the link between the role of the internal brand in the development of overall brand equity; a matter that is subsequently considered in this discussion.

Ambler (2003:177) acknowledges the role of employee based brand equity as a component of overall brand equity in his study of marketing metrics and organisational performance. His research draws a link between employee attitudes and firm performance in service organisations and he acknowledges the increasing recognition of internal branding in practice. He does, however, caution that the organisation does not need more internal brand focus and needs to think externally, suggesting that a human resource led approach to brand equity is not desirable. While his view is shared by the author, the assumption and findings in each of the cases studied is that they each placed a strong focus on business results and growth as strategic imperatives, with a strong focus falling on product, customer and geographic expansion; hence a significant outward-looking approach. This study therefore posits that the notion of a brand aligned organisation is one in which the default is not to a human resource, people led approach to building the brand internally for the sake thereof, but to a holistic brand led approach to the business overall, as evidenced in cases C and D. This view is the final component of the cross case analysis and is considered in the culmination of a new model and approach.

8.3.7 Brand alignment

Brand alignment is a theoretical view posited by the author as an overall framework for the synthesis and integration of internal and external brand efforts. This is supported by the notion of Mitchel (2002) and Ind (2007) in which they agree that only when the objectives of the internal branding programme are in line with the overall business objectives and are properly translated to the target audience, is a programme capable of achieving its intended outcome. If there are different messages conveyed internally versus those expressed externally to customers, conflict ensues and a gap between brand expectation and brand reality is created. (De Chernatony and Segal-Horn, 2001; Mahnert and Torres, 2007).

Thorbjornsen and Supphellen (2011:68) highlight the critical connection between employees as the realisation of the strategically defined brand positioning, suggesting that a coherent culture will leave all stakeholder groups with a clear impression of a united internal and external framework. They posit that employees represent this bridge, and in order to do so they need clear guidance in the clarification, determination and understanding of what constitutes core value behaviour that will shape service delivery and a realisation of the external brand expression. Thorbjornsen and Supphellen (2011) move on to suggest that empirical research in this area is practically non-existent in both organisational and marketing literature, an opinion with which the author agrees and seeks to contribute to the closing of this gap through the enhancement of brand alignment thinking and a model for both practical adoption and further research.

Punjaisri and Wilson (2007:68), in their research conclusion, after studying the role of brand and service delivery in the hospitality industry through a study of front-line customer-facing staff, suggest that further research is necessary to explore a whole firm context in which an environment of enablement and support for consistent delivery and fulfilment of the promise is made possible.

The basis for alignment examines the bringing together of the constituent components of the organisation in a model that resembles that of the organisational architecture framework offered in Figure 2.2. The overall dimensions at each of the sites were compared as detailed in Table 8.7.

Table 8.7: Brand alignment at case organisations

Construct	Case A	Case B	Case C	Case D
Brand alignment	No evidence of an alignment of internal and external brand. A fractured and disparate approach to branding in a sales and entrepreneurially led business. Intention to evolve this under new leadership, in pursuit of enhanced reputation and business growth.	Evidence of strong external identity but little connection to the inside of the business. Clear performance orientation in a globally aligned business with little local say and control. Regulatory environment driving change in ownership and style, with change signaled to brand approach and regional growth intent.	Clear brand alignment with the internal change strategy reflected in the outward brand expression. Brand at the centre of business strategy and deployed holistically throughout. Strategy, values, brand (SVB). Vision led, values driven organisation. Brand alignment as part of business turnaround strategy and competitive advantage.	Internal approach to brand has defined the external view – an inside out approach. Strategic controller model keeps brand at the centre of the organisation. Leadership inspired approach that drives strong values orientation in a production and resources business. Leading business results balanced with excellent employer metrics and clear competitive advantage.

Case A displays little to no evidence of a brand aligned organisation, but the new CEO had clear intentions of changing that. A further executive shift notwithstanding, this firm is showing signs of improvement with regards to brand alignment at the time of the finalisation of this thesis. Case B was methodical and systematic in approach but brand was subservient to a production and performance orientation. During the research, this business underwent a change in ownership and has rebranded. Ongoing research at this site will be necessary to explore the extent and magnitude of the change; the intent was to move to a more balanced approach. Case C evidenced good signs of a brand aligned organisation that had deployed this with good effect and successfully transitioned the financial turnaround of the organisation. At the time of the finalisation of this thesis, the bank had successfully undergone a change in CEO and has withstood the financial economic crisis admirably, with brand and strategy still firmly on track, and competitive advantage signalled in their leading of the sector in terms of economic recovery and results. Case D has similarly displayed sustainable results in spite of a downturn in global commodities, supported by a well-balanced and brand aligned approach, while pioneering several new initiatives in an aggressive approach to growth and diversification, yielding outstanding financial returns over a five year period since listing.

The author’s view is that an analysis of both positive and negative cases concerning the construct of brand alignment, have offered consideration and development of a grounded theory approach (Glaser and Strauss, 1967) to evolving theory in this area of brand and business strategy, thus developing a framework that includes application by management in practice. This could form the basis for further research in an academic context. The concluding section of this chapter is devoted to a summary of the model and the conclusions drawn from the cross case analysis.

8.3.8 Brand alignment as a model

In an industry often plagued by jargon, the expression ‘brand alignment’ appears unclaimed and certainly has not surfaced in the author’s extensive review of literature. Ambler (2003:178) defines ‘employer brand, corporate brand, internal brand and employee-based brand’ as synonyms for his analysis of employee-based brand equity. The author views and defines brand alignment as a term which offers something different to the current definitions, and suggests a holistic approach to the internal-external consideration of brand. This has therefore been assumed as an acceptable expression and naming for both the development of the model put forward and for incorporation into the overall title of this thesis. By implication, both the name and model suggest an orientation toward a ‘whole approach’ to branding, where the external promise made by the organisation is matched internally through the alignment of understanding, mobilisation of efforts and resources, and ultimately commonality of purpose and delivery. This mirrors the business architecture approach depicted by Venter (2006:397) as a framework for strategy in the organisation.

In their examination of a behavioural approach to internal branding, Burmann and Zeplin (2005:296) suggest that it is severely lacking in organisations and they highlight the urgency for solutions and implementation, in the service industries in particular. Ballantyne (2003:1242) observes that there is currently a renewed interest in the concept of internal marketing some 20 years since its initial inception, but concludes that there is no agreement on its strategic intent or a common conceptual framework. King (2010:531) opines that organisations should invest in driving employee brand commitment as a priority, suggesting that it is a valuable tool in achieving organisational goals, and further purports that it is an opportunity to differentiate, ‘to stand out from the crowd’ and ‘to obtain competitive advantage’.

In summary of this cross case analysis, an overview of the brand alignment status was considered at each site in order to draw conclusions from their contribution towards a brand alignment framework. This is summarised in Table 8.8.

Table 8.8: Holistic brand alignment continuum at case organisations

Construct	Case A	Case B	Case C	Case D
No/little brand alignment: contrast cases	A service based organisation. Fragmented approach to brand, no brand alignment and brand not embedded in strategy. Executive intent to shift strategy and make brand a focal point under new leadership.	A resource based organisation. Identity led approach to external brand, with little to no brand alignment internally. New owners suggesting a shift of thinking toward a greater brand alignment orientation.		
Brand alignment: support cases			A service based organisation. A vision led, values driven business, adopting a strategy, values, brand (SVB) framework. Change in chief executive and brand aligned approach intact.	A resource based organisation. Brand as business strategy, with strong emphasis on internal leading external approach. Change in chief executive and brand aligned approach intact.

No/low levels of brand alignment

High levels of brand alignment

The comparative table above brings into focus certain key findings of the study. There are contrast and support cases across industry sectors, suggesting that the model has applicability across the product or resource based business, or the service based organisation. Much of the literature review and current research points towards the study of internal branding or marketing in the context of the service based organisation. It is the author's finding that this concept can also apply to the product or resource based organisation as a framework for competitive advantage.

The support cases demonstrate a clear orientation towards brand as an approach to business rather than as a function of marketing. This is deemed a 'whole approach' in which there is alignment with that for which the brand stands internally and externally and an organisational effort that supports this in totality – in systems, processes, structure and the approach to people attraction, development and retention. The contrast cases depict the opposite with Case A displaying a clear non-consideration of brand as a business construct and Case B adopting a marketing department or identity led expression to branding, under the ambit of a production focused, commodities business.

Of further interest is the evidence in the data for the contrast cases of an intention to shift towards a greater brand alignment orientation, in which brand could potentially play a greater role in the organisation. This was clearly signalled at both sites. In the support cases, C and D, both organisations experienced a change of CEO during the period of the study; both as a function of executive retirement policy. These leadership changes notwithstanding, the organisation has held the brand aligned approach intact, suggesting sustainability and whole firm brand alignment, as opposed to leadership personality in isolation. Both organisations enjoyed leadership with a very strong influence and impact, while they both demonstrated the capacity to inculcate this and build competitive advantage by cascading this deep within the organisation, resonating with the view of Collins (2009) with regards to sustainability and performance over the long run.

The within case analysis and cross case analysis have informed a grounded theory approach to the consideration of the notion of brand alignment (Glaser and Strauss, 1967). Combined with a critical review of current literature and thinking in this area of study, a new model for the holistic approach to brand alignment has been offered as an advancement on current management practice and academic research.

The contribution to theory in the new model and approach is reflected in the adaptation to the initial version furnished in Chapter 2, Figure 2.2, a variation of that framed by Venter (2006:397). The new model is based on the grounded theory observations drawn from the case analysis. The new model as reflected in Figure 8.1 highlights the following:

- The critical role of leadership in the brand aligned organisation – both in terms of inspiring brand direction and resourcing the organisation accordingly as well as ensuring the sustainability and longevity thereof. This includes penetration internally and involvement of line management in the organisation.
- The aspect of brand, values and culture being intertwined into a cohesive whole and serving as a conduit for communication, shared meaning and common purpose throughout the organisation.
- Structure, systems and support throughout the business that build capability, align internal efforts and mobilise resources to enable the development of capacity and delivery in the organisation.
- Alignment of the internal brand and business to meet the promise of the external brand to market and thereby realise market gains and business objectives.

- A combination of the above as an approach to strategy, to realise optimal brand equity and sustainable business results, driving competitive advantage for the organisation.

In essence, this arrives at an evolved approach to the organisational architecture model put forward by Venter (2006:397) and proposes a brand alignment approach to frame the strategic approach adopted by management. Venter (2006) emphasises the organisational need to translate strategy into implementation, suggesting that the ability of an organisation to facilitate effective and efficient implementation of strategy is highly dependent on its internal functioning. Ind (2007) asserts that brand is the glue that binds the organisation and realises the external expression to market. The author opines that these are not mutually exclusive concepts and has demonstrated through this study that the brand alignment model is an approach to organisational architecture that will aid managers to implement strategy and achieve competitive advantage in the process.

8.4 Conclusion

Keller and Lehmann (2006:753) suggest that for branding research to be scientifically rigorous, it is important to develop comprehensive models of how the concept of brand operates and to develop estimates of the various cause and effect links within it. Although they apply this construct to the broader discussion of brand equity, it is the view of the author that the same principle holds true in the consideration of an approach to brand alignment. The view of Schein (2000:9), in which he maintains that organisational culture is best understood through the process of observation rather than in abstraction through measurement, is again reinforced in support of this approach in which observation and theory development through groundedness offer a new approach to the notion of integrating, or aligning, the internal and external efforts of the organisation.

It is the wholeness of approach to this study that highlights its contribution to the existing theory and addresses the gaps identified in the approach to internal branding and the determination of brand equity. It coincides with related studies probing cause and effect relationships surrounding the area of internal brand equity and offers a model and approach which seeks to address the matter holistically, in the quest to enhance the understanding and management practice in this important emerging school of management thinking.

Vallaster (2004:100) argues that the inappropriateness of a great majority of current marketing research methods and techniques do not allow the adequate analysis and capture of something as complex as internal branding. She proposes an action research approach to addressing this challenge and concludes that practice should not contrast theory per se, but that we should put to the fore practical and useful applications guided by theory. It is the author's view that this is accomplished in the process of this research study. Practical data collection and analysis (Miles and Huberman, 1994) in a within case and cross case context (Yin, 2003) has enabled the development through grounded theory (Glaser and Strauss, 1967) of the brand alignment model as an enhancement of current management thinking and practice. This supports the view of several practitioners who posit that internal branding is an emergent field of management science that is under-represented and in need of ongoing research and theory development (de Chernatony and Segal-Horn, 2001; Vallaster, 2004; Vallaster and de Chernatony, 2005; Davies, 2008; King, 2010; Thorbjornsen and Supphellen, 2011; *et al.*). In this regard, the author submits that this study identifies a gap in current theory and advances thinking and proposed research to further this field of theory development and management as a practice.

CHAPTER 9 – CONCLUSIONS AND RECOMMENDATIONS

9.1 Introduction

This chapter brings forward the conclusions of this work, examines the practical implications thereof and proposes further research questions in this field of study.

In the orientation chapter of this thesis and in sections of the case analyses, reference was made to brand as a promise made, and a promise kept. The making of the promise, traditionally, has been the function of marketing in the organisation, whereas keeping the promise has been assumed to be that of the entire organisation, separated into components. The objective of this work has been to explore the extent to which brand as an instrument can be deployed within the organisation, to aid the definition of that external promise, and to assist the organisation to realise it in order to attain competitive advantage through the brand alignment process.

9.2 Research objectives

In order to orientate the findings of this thesis, the initial research objective is restated here as the intent to develop a model that aligns brand behaviour throughout the organisation in a manner that drives competitive advantage. The initial research questions are also restated overleaf and are used to frame the discussion around the conclusions and recommendations for further research in support of the research objective.

The primary research question of the study was:

- How do companies achieve brand alignment to optimise business performance and obtain competitive advantage?

Secondary research questions linked to this were:

- How do organisations ensure synergy between brand and the corporate strategy?

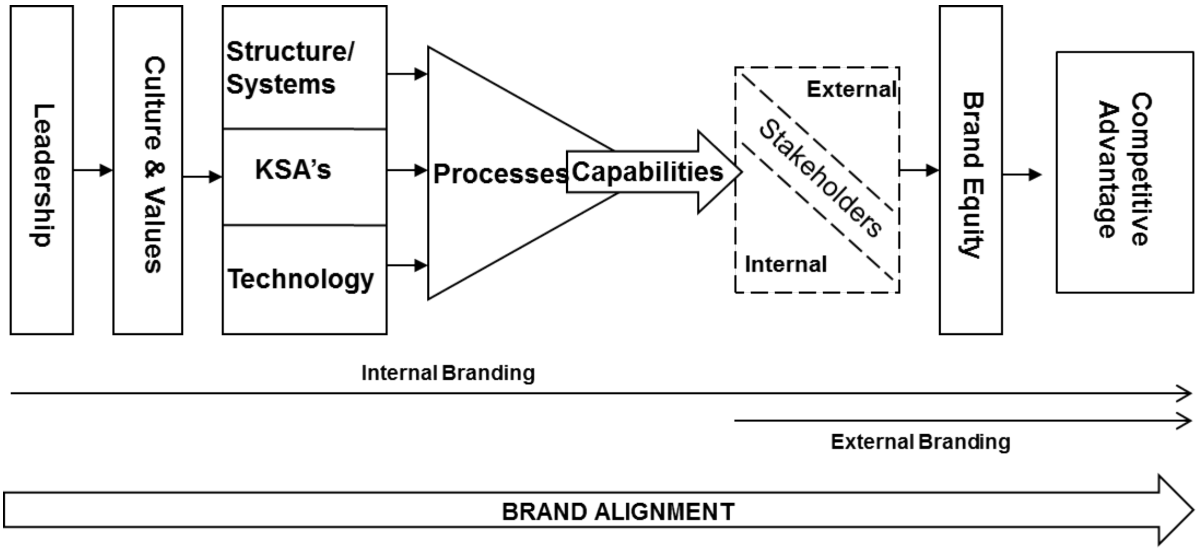
- How do organisations ensure that the internal brand is synchronised with the external brand?

- What methods and approach will enable the alignment of internal and external brands and the achievement of the strategy?

- Why should existing brand equity theory and practice incorporate the brand alignment measure?

This chapter sets out to address recommendations and conclusions to the above questions, with direct implications for both practitioners and academics, through further research, and in the process, meet the original objectives of the study.

In order to focus on the conclusions and recommendations in this section, the brand alignment model developed during this study is repeated in Figure 9.1 against which salient points are considered and further elaborated upon as the contribution to both the development of theory and the enhancement of management practice. The discussion clarifies the evolution of the brand alignment conceptual model as initially presented in Chapter 2, Figure 2.1. These adaptations integrate the key findings and recommendations of this research.



Source: Adapted from Venter (2006:397)

Figure 9.1: The brand alignment conceptual model – research implications

9.3 Research implications

The examination of literature during this study has highlighted the fact that the notion of internal branding is an evolving sphere of the overall branding and marketing discipline. While myriad aspects of this emerging phenomenon have been considered in recent research, this study has revealed gaps in the current thinking with regards to a holistic approach to aligning the internal and external efforts of brand building within the organisation. The author has addressed specific aspects of a new model and approach, supporting the notion of brand alignment as an organisational capability that can derive competitive advantage for the firm.

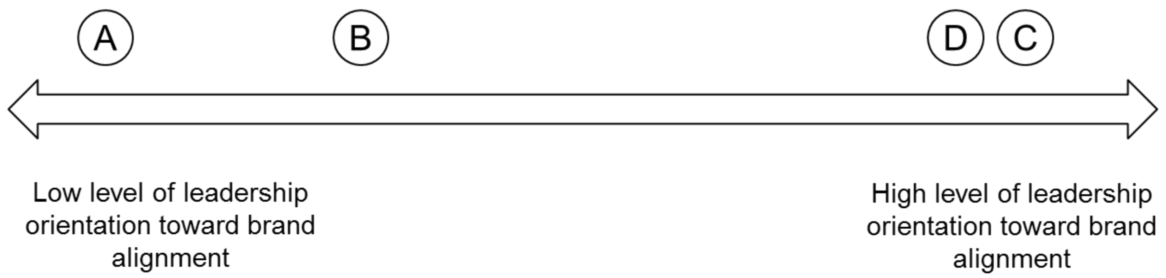
Detailed implications of the research are posited from both a theoretical perspective and the development of a new model in the brand alignment approach in the concluding section of Chapter 8. Practical implications and observations are made throughout the within case and cross case analyses, highlighting areas that are common and supportive of the brand alignment approach as well as those that challenge or detract from it. Core elements of the implications of the research are summarised in this chapter, providing answers to the specific question posed in this study.

9.3.1 How do companies achieve brand alignment to optimise business performance and obtain competitive advantage?

Leadership emerged as a vital area in the development of a brand aligned organisation. This held implications from the outset in terms of prioritising brand as a strategic construct or approach to the business, as evidenced in cases C and D and contrasted in cases A and B. Brand as strategy needs to be embraced, applied and resourced at this level if it is to be successful and utilised in strategy formulation, implementation and ultimately, the derivation of competitive advantage in the form of value creation or performance for the firm. This has implications for both academics and practitioners. High levels of leadership orientation toward brand alignment were evidenced through aspects such as leadership language, adoption of brand within the strategic business framework, allocation of resources in the form of people and investment, as well as discipline in general with regards to brand implementation and adoption. Low levels of leadership orientation did not imply lack of leadership per se, but an orientation toward other facets of the business rather than brand. In Case A, this was directed towards a sales, financial and entrepreneurial orientation, and in Case B, a strong production and process orientation.

The impact of leadership in driving the brand aligned focus and orientation of the organisation is highlighted in the continuum in Figure

9.2, which depicts the said influence across the cases. The display summarises the strong leadership orientation towards a brand aligned approach in the support cases C and D; and the lack of brand aligned leadership in cases A and, to a lesser extent, B. Leadership orientation is therefore a clear differentiator and important finding in this research with regards to the adoption of brand alignment for competitive advantage.

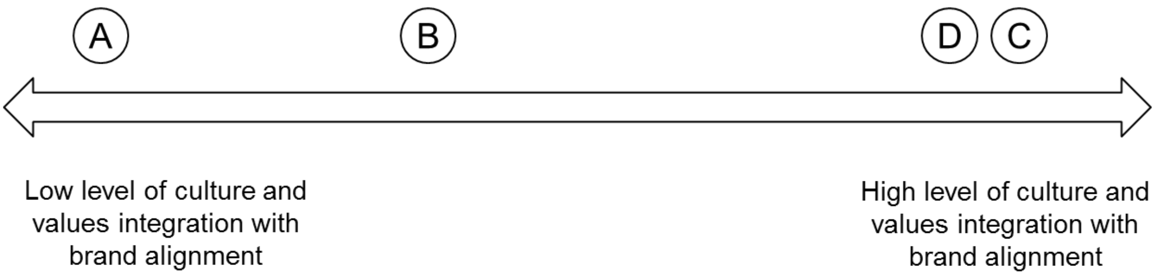


Source: Author

Figure 9.2: Brand alignment and leadership continuum

Culture and values also emerged as an important theme in the study. The link from leadership to culture is not new in itself, but rather, the interrelated role of brand as an influence or conduit to culture shaping, and development, and as a mechanism for good communication is suggested as being a valuable element in the conclusion in this work. Internal branding aids the definition of organisational values and shared meaning, and contributes, to clarifying requisite behaviours in support of a desired culture and ultimately, outward delivery and execution by the organisation; thus optimising performance and building competitive advantage for the firm. This supports and resonates clearly with the culture dynamic in organisational architecture as defined by Venter (2006:431) as well as with the basic component comparisons that he makes with different organisational architectures; notably that of the popularised McKinsey 7-S (Venter, 2006:396). It also reinforces the view held by Ulrich (1998:124) in which he suggests that ‘if you can get your shared mindsets, competence, consequence, governance, capacity for change and leadership right, you can implement any strategy successfully'. Support cases C and D displayed clear brand aligned cultures in that the brand meaning and definition integrated with the business strategy and cascaded direction throughout the organisation in a manner that facilitated behaviours and interventions towards improved performance. Both organisations also displayed clear definitions of organisational values which helped to share meaning and define specific cultures and behaviours. In Case C in particular, this was embedded in ongoing measurement and tracking, to the extent that the organisation was able to correlate core values and culture elements with improved organisational performance. Contrast cases A and B again showed cultures and values that were not brand and brand alignment specific, but orientated toward other dimensions of their business.

The continuum in Figure 9.3 below summarises the spectrum across the cases in terms of the influence of culture and values in the brand aligned organisation, such as cases C and D; versus the contrast cases A and B, which displayed values and culture that were predominantly aligned with sales and production, respectively. The role of culture and well defined values is therefore a clear differentiator in the adoption of brand alignment for competitive advantage and is closely linked to the impact of leadership.

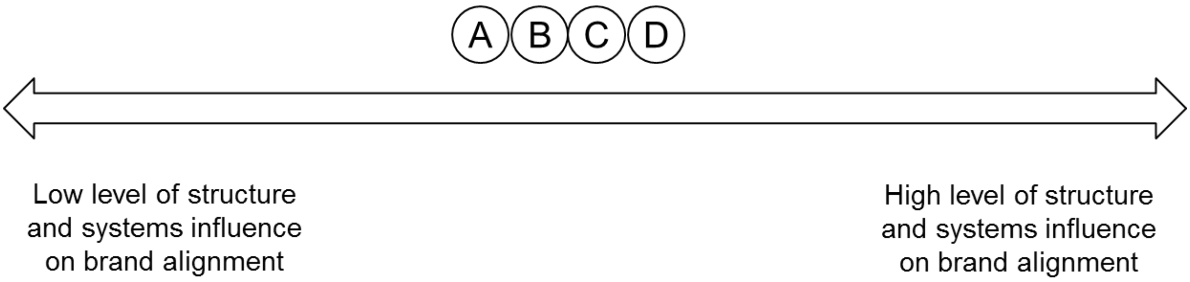


Source: Author

Figure 9.3: Brand alignment, culture and values continuum

Structure and systems; knowledge, skill and abilities; and technology were considered in the study in the context of examining validity and influence by the organisational architecture framework (Venter, 2006:431) in the brand alignment model as well as the extent to which this impacted the capability of the firm in building competitive advantage. Structure and systems support are a definite enabler in the brand alignment approach; however, the findings appear to suggest that they are not a differentiator. Structure differed across the cases, from being highly centralised (Case B) to highly decentralised (Case A), with the support cases showing hybrid structures that were partly centralised and partly decentralised. Brand architecture structures also differed across the cases from being very monolithic in cases B and D, predominantly monolithic in Case C and largely independently branded in Case A. Suffice to say that an enabling structure and systems to support brand alignment are a necessity for the achievement of the same, but do not create differentiation themselves. For example, Case B had strong systems and a clear, highly centralised structure, but was not deemed a support case; similarly with regards to knowledge, skills, abilities and technology. These were unique to each industry and essential to the success of each organisation and their ability to compete; but were difficult to directly compare across cases. Cases B and D, a contrast case and a support case respectively, both had well developed industry-specific knowledge, skills and technology; however, they differed vastly in terms of brand alignment. The same could be said in the comparison of the financial service cases A and C. In terms of knowledge, skills and abilities particular to brand and the brand alignment process, cases C and D demonstrated clear understanding and capability in this regard, deploying the brand alignment principles to achieve results and build competitive advantage.

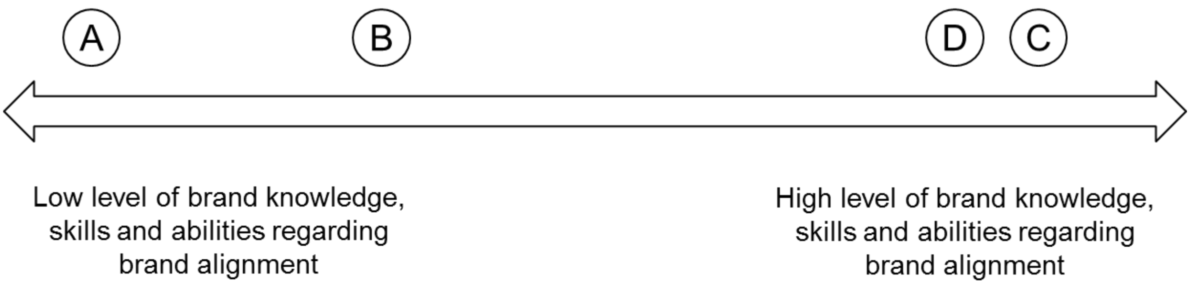
For ease of visual representation in this section, the findings are reflected across three continuums that separate the structure and systems component (Figure 9.4) from the skills, knowledge and abilities component (Figure 9.5) and technology (Figure 9.6).



Source: Author

Figure 9.4: Brand alignment, structure and systems continuum

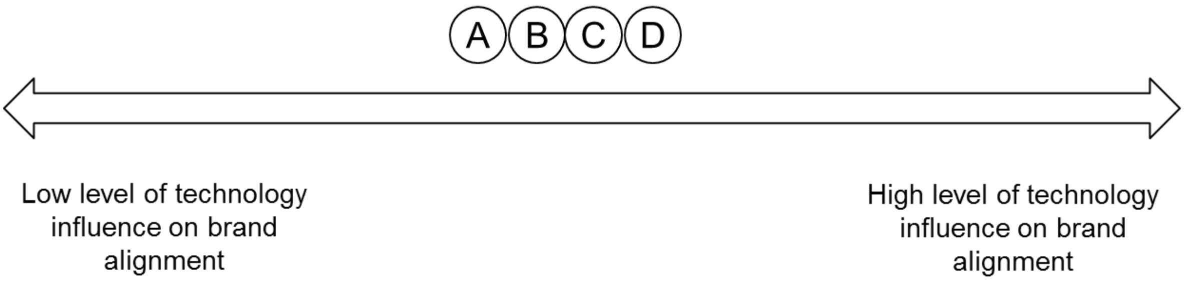
Figure 9.4 demonstrates that structure and systems are an enabler to brand alignment and organisational capability, and not a differentiating factor across the cases insofar as the brand alignment construct is concerned.



Source: Author

Figure 9.5: Brand alignment, KSAs continuum

Figure 9.5 illustrates that specific brand knowledge, skills and abilities (KSAs) are a differentiator to the brand aligned organisation, with cases C and D displaying evidence to this effect in support of their pursuit of competitive advantage with brand alignment as a core capability in the firm.



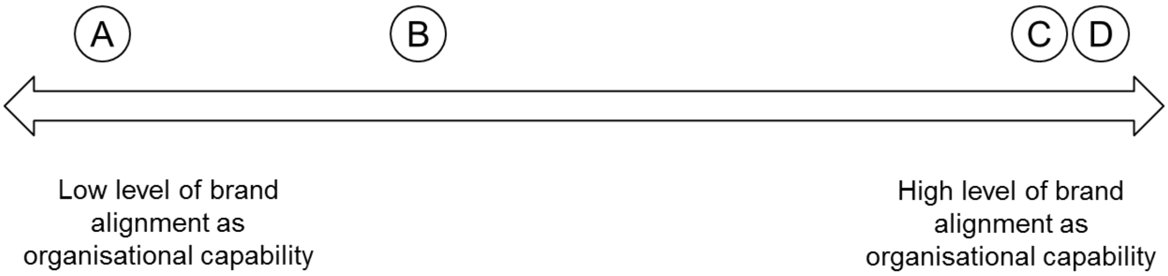
Source: Author

Figure 9.6: Brand alignment and technology continuum

Figure 9.6 suggests that technology, similar to structure and systems, is an enabler to organisational delivery and brand alignment, but not a differentiating factor in this regard.

Processes and capabilities were considered in the context of how such processes facilitate the development of capability in the organisation and the ability of the firm to deliver value to stakeholders (Venter, 2006; Lee, *et al.*, 2004; Veasey, 2001; Doyle, 2001) to the extent that brand alignment could be considered as a competitive advantage to the firm. Cases A and B showed little to no evidence of brand alignment as being a core capability, whereas cases C and D displayed clear evidence of brand alignment being deployed to good effect, thus highlighting this as a capability within the business. Case C effectively consolidated its business position, repositioned its brand portfolio and delivered a business turnaround in the process, whereas Case D used a brand aligned approach to essentially redefine a mineral and resources business, following a corporate unbundling and merger exercise, to excellent effect. The competitive advantage gained from this is further commented on shortly, but suffice to say that a key finding in this research is evidence of brand alignment as a capability within the business serving as a contributory factor in the development of competitive advantage to the firm.

Figure 9.7 below demonstrated brand alignment as a core capability in the firm, in deriving competitive advantage, clearly evidenced in cases C and D.

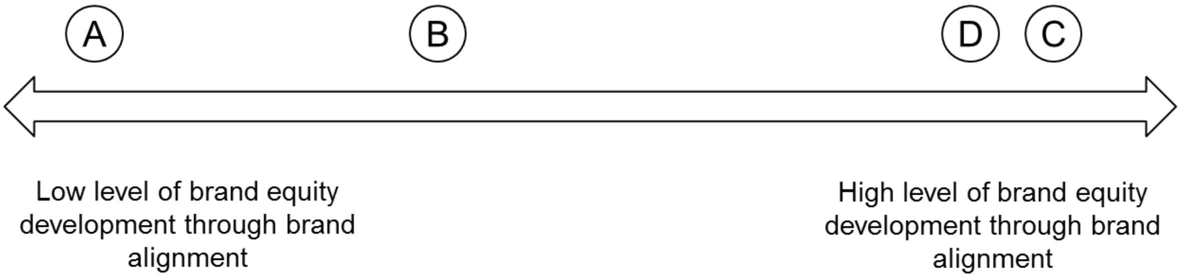


Source: Author

Figure 9.7: Brand alignment as organisational capability continuum

Stakeholders in this research were not considered relevant for comparative purposes given that they are ultimately recipients of such organisational outputs and spread across a number of segments, both internally and to a greater extent, externally to the organisation. As a result, a continuum for stakeholders across the cases is not displayed in the discussion. There was evidence of measurement of staff engagement and climate survey tracking, predominantly so at sites in cases C and D; however, the scope of this investigation did not allow for in-depth analysis of stakeholder views across the cases. Anecdotally, drawing on secondary research and in terms of case observations, considerably more effort was put into stakeholder tracking and assessment, both at an internal and external level, across support cases C and D, as opposed to the contrast cases A and B. Case C in particular, displayed high levels of measurement across most stakeholder segments with internal examples consisting of the values and cultural transformation process; with external examples being retail service levels and customer satisfaction, as well as ongoing brand health tracking and performance.

Brand equity was not directly measured across the cases as this is a specialist field of branding with a range of measurement models and approaches (Salinas, 2011; Keller, 2008; Ambler 2003). It was, however, analysed and observed in the within case analysis and the cross case analyses that were conducted as a determinant of value creation to stakeholders and ultimately, competitive advantage to the firm. Given the nature of reputational challenge and brand fragmentation that occurred at Case A, as reported in Chapter 4, there was little evidence of brand equity creation. Case B displayed a strong global brand with good local execution, but brand equity creation appeared a function of aggressive and disciplined external marketing of a commodity product, rather than the function of a brand aligned approach. Case D displayed clear evidence of brand equity development through brand alignment over a 5 year period and was conducting a brand health check at the time of the finalisation of this thesis. Case C also displayed a high level of brand equity through brand alignment, with the internal and external efforts of the organisation being fully integrated with the business philosophy and strategic intent. Case C had also commissioned an international, fully-fledged brand valuation exercise. The issue of the model for the determination and measurement of brand equity is highly contested at present (Salinas, 2011) and there are a number of scholars arguing for a more considered view of the internal brand equity component, which appears to be neglected in the current model (King and Grace, 2010; Kimpakorn and Tocquer, 2010; Baumgarth and Schmidt, 2010). This allows for interesting further research suggestions, which are covered in Section 9.5 of this chapter. A key finding from this thesis is that brand alignment can very definitely impact brand equity determination and drive value creation for the firm and therefore, competitive advantage. This is depicted in Figure 9.8.

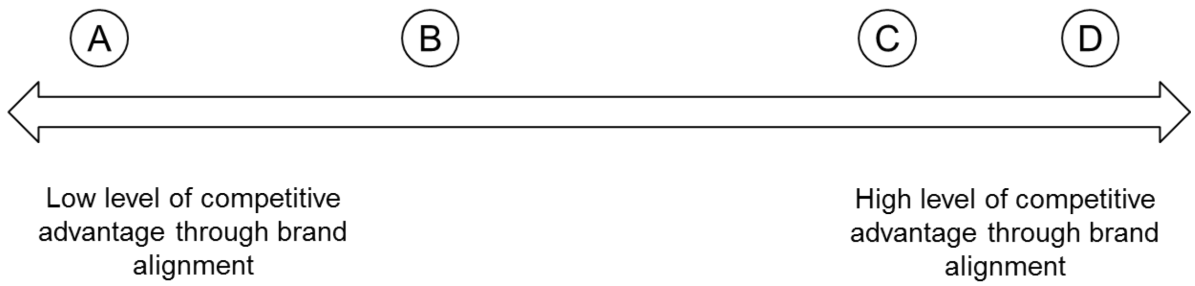


Source: Author

Figure 9.8: Brand alignment and brand equity continuum

Creating competitive advantage through brand alignment was the primary objective of this thesis and a key finding and outcome of the research conducted. Brand alignment aided both firms in cases C and D to derive competitive advantage. Case C had transformed an organisation under new leadership with a vision led, values driven approach using brand as a catalyst to define meaning, drive behaviours and build strong renewed corporate values, facilitating a very successful turnaround to profitability and return to meet key banking performance ratio's, consolidation of brand portfolio and considerable gains in specific brand health metrics. Case D derived competitive advantage in the merger of 4 entities into one, concluding a 300% growth rate in market capitalisation over the 5 year period since its inception; it was a top performing share on the Johannesburg Stock Exchange. In support of its financial performance, it has won a vast number of mining industry awards and has excelled as an employer of choice in the industry. Case B has exhibited good financial performance as a result of commodity demand and market cycles and shows little evidence of gains through brand alignment, whereas Case A had suffered setbacks to its reputation and experienced static financial performance, with no evidence of brand alignment as a construct, which did present a future strategic possibility, showing signs of resurgence at the time of the finalisation of this thesis. The conclusion is therefore that competitive advantage is possible with brand alignment as a distinctive capability in the firm. Given the nature of case study research, however, this cannot be generalised and needs to be tested in further research.

Competitive advantage through brand alignment is made possible by adopting a holistic approach to brand and building it as a core capability within the firm, in line with the resource-based view of competitive advantage (Barney, 2001; Ray, *et al*., 2004; Doyle, 2001; Grant, 2002). The cross case summary of competitive advantage through brand alignment is depicted below in Figure 9.9.



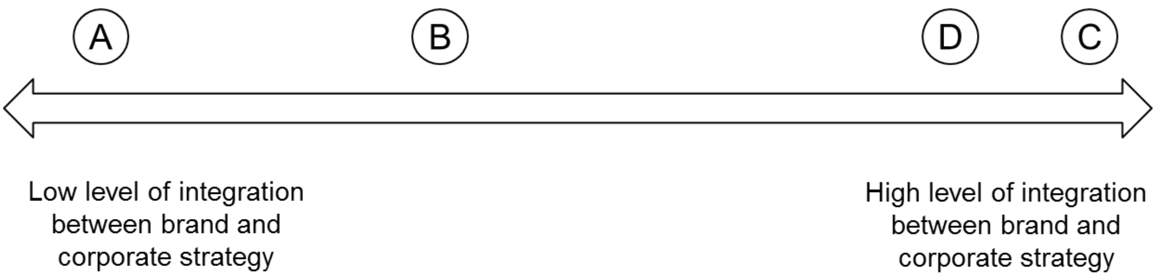
Source: Author

Figure 9.9: Brand alignment and competitive advantage continuum

The secondary research questions in this study support the primary question and further expand on aspects of the brand alignment model and approach.

9.3.2 How do organisations ensure synergy between brand and the corporate strategy?

Cases C and D again yielded strong evidence of brand integration being at the centre of business strategy. They were not viewed as mutually exclusive concepts, but rather as key components of strategy development and execution. In the instance of Case C, the brand was strongly aligned with the need to galvanise a large organisation in a turnaround environment, whereas in Case D, the brand was utilised as part of a merger dynamic and to define the new vision, mission and values of a new entity. Contrast Case B showed brand largely as an external marketing expression and Case A showed little connection between brand and business strategy, the net effect being a highly fragmented effort. Figure 9.10 below plots this orientation across the cases on a continuum reflecting the case comparisons from low levels of integration to high levels of integration between brand and corporate strategy. The brand aligned organisation thus shows a high level of integration between the brand strategy and the business strategy, suggesting that they are not separate, but integrated constructs that work in unison and are therefore strategically aligned. A key observation here is that brand is not viewed as a function of marketing, but is seen as a distinctive capability to the firm in building competitive advantage through brand alignment.



Source: Author

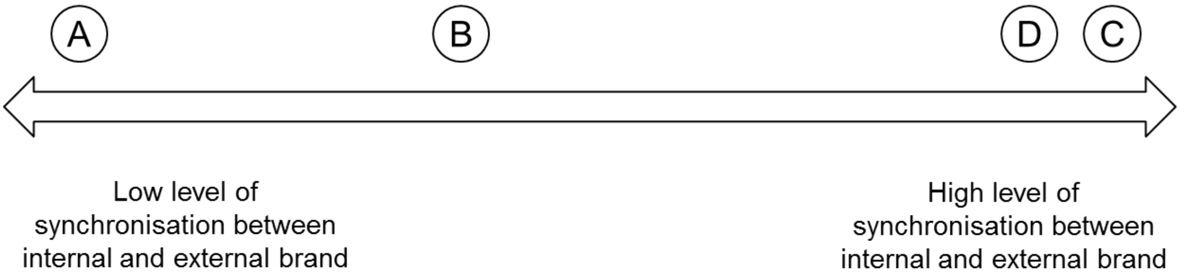
Figure 9.10: Brand and corporate strategy continuum

Doyle (2001:255) suggests that organisations that seek to utilise brand only as an external expression of a value proposition will not create long term value. However, he continues, those who integrate brand with the firm's other tangible and intangible resources, the foundations of their core business processes, will do so. This, he argues, is the function of leaders who pursue brand strategies that are directly linked to shareholder value creation through competitive advantage. Cases C and D therefore reveal an understanding of brand as a business strategy rather than a function of marketing. Also, a willingness to commit to it as a broader business concept would ultimately realise the link between brand and business as a whole. Doyle (2001:258) makes the link therefore, between brand and the resource-based theory of the firm, suggesting that the intangible assets of the organisation are key to the development of superior business process, thus supporting the findings of this study in the territory of brand alignment as a basis for the development of competitive advantage.

9.3.3 How do organisations ensure that the internal brand is synchronised with the external brand?

The study and supporting data answer this question and have demonstrated that internal branding plays a key role in aligning internal thinking and behaviours within the organisation in order to meet the external expression. This works in tandem with the organisational architecture framework as posited by Venter (2006:397) and is hence expressed as such in the brand alignment model offered in Chapter 8, Figure 8.1, and is repeated here again as Figure 9.1. The internal branding effort stretches across all internal activities as ‘organisational architecture is an integrated response which draws together the key dimensions of the organisation to guide strategic formulation, alignment and implementation’ (Venter, 2006:394). As demonstrated in cases C and D, the brand-led approach can serve as the glue that binds the organisational effort and ensures that leadership, culture, structure, systems, and ultimately processes and capabilities, align in a manner that achieves strategic intent and builds competitive advantage, resonating with the external brand expression to the market and the development of long term brand equity, and consequently, value creation for the organisation. A key finding in the support cases is that the external brand expression is a reflection of the internal culture and strategy of the organisation, showing a synchronisation between the two. This differs with the contrast cases in which the opposite holds true.

Figure 9.11 below displays the continuum of low levels of synchronisation of internal and external brand, versus high levels of synchronisation; across the cases. The comparison of extremes across the contrast of Case A and the support evidenced in Case C accentuate the polar opposites of approach and impact to the organisation and highlight the finding of the need for close alignment between the internal and external brand efforts of the firm.



Source: Author

Figure 9.11: Internal and external brand continuum

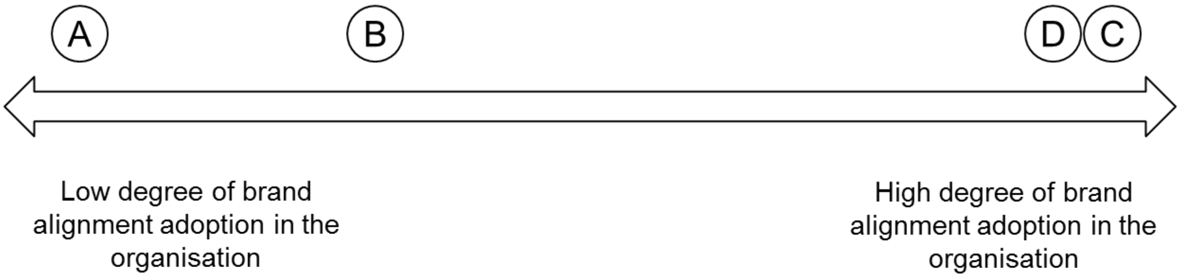
This question of how firms align their internal and external efforts works in tandem with the previous two questions, highlighting the influence of leadership and the extent of recognition or appreciation for the integrated role between brand and corporate strategy. It follows that a high level of synchronisation between the internal and external brand is only possible if leadership embraces this approach, as evidenced across the cases. This also works in conjunction with the findings with regards to methods and approach, addressed in the ensuing question.

9.3.4 What methods and approach will enable alignment of internal and external brands and achievement of the strategy?

This study has yielded the finding and observation that a holistic approach to branding is necessary to inform the brand alignment process and achieve competitive advantage. This is posited through the observations made in support cases C and D where brand is not viewed as a function of marketing, but is adopted as a strategic approach to business and applied in an integrated effort throughout the organisation; framing internal values and culture within the business as an expression of the external brand and organisational promise to the market. This internal approach has informed certain structural issues and built organisational capacity and capability within the context of the resource-based theory linked to the development of competitive advantage (Barney, 2001:625). It has also highlighted the connection of brand as a key component thereof (Doyle, 2001:258), suggesting that the brand alignment framework advanced in this study has merit on both an academic and managerial level.

Case C in particular also highlights a valuable finding in the sphere of tracking and measurability of this approach through the adoption of the Barrett (2006) methodology, which has revealed a direct link between strategy, culture and organisational performance in pursuit of a vision led, values driven approach to business and which is carried forward into the concluding section of this chapter concerning further research possibilities.

Figure 9.12 displays the degree of alignment across the cases on the continuum with the contrast cases A and to a lesser extent B, at one end of the spectrum, suggesting little or no holistic brand alignment within the business, with that of cases C and D who both displayed high levels of adoption of the brand alignment construct, in pursuit of corporate strategy, and ultimately, competitive advantage within the organisation.



Source: Author

Figure 9.12: Holistic brand alignment continuum

The key finding with regards to methods and approach is expressed in the development of the brand alignment model proposed in Figure 9.1 as an adaptation to the organisational architecture framework of Venter (2006:397). This model offers a holistic approach to brand alignment, which transcends the function of marketing and suggests a complete organisational approach to brand as a business tool for driving strategic implementation and developing competitive advantage.

9.3.5 Why should existing brand equity theory and practice incorporate the brand alignment measure?

The issue of brand equity is the final point made with regards to research implications as it is a key determinant in competitive advantage through brand alignment. Traditional models for brand equity development and estimation (Aaker, 2002; Ambler, 2003; Keller, 2008) have focused on the external and market led valuation principles. While this is a vital and essential point of view, it inadequately reflects the internal branding contribution in the determination of brand equity. This view is emerging in several quarters at the time of the finalisation of this thesis and is being approached from divergent perspectives as purported by King and Grace (2010:938), Kimpakorn and Tocquer (2010:378) and Baumgarth and Schmidt (2010:1250). The model offered in this work also posits a closer examination of the inter-relationship between the internal and external brand efforts of an organisation in deriving the determination of brand equity or value; and may be the subject of further research efforts. This is addressed at the end of this chapter.

The diagram reflected in Figure 9.13 does not introduce new theoretical concepts into the work that have not been commented upon previously in the within case or cross case analyses, but seeks mainly to frame the future brand-specific discourse in isolation from the organisational architecture discussion for the purposes of brand focus and argumentation relating to future research. This is considered in the discussion with respect to Figure 9.13 and holds as a possible framework for an integrated approach to improved brand equity measurement centred on the brand alignment construct.

The entire framework, as probed in this study, links back to the organisational architecture initially depicted in its original form in Figure 2.1. It evolved as an early model in Figure 2.2, and was finalised as a possible approach to brand alignment in Figure 8.1; and repeated again at the commencement of this chapter as Figure 9.1. In the author’s view, this model holds true and meets with the findings developed throughout the within case and cross case analyses, supported by an extensive review of the relevant literature. To the extent that leadership acknowledges its brand alignment role in the organisation and is prepared to place brand and brand alignment at the core of its business strategy as a distinctive capability and follow through with leadership support, role model behaviour, and the allocation of organisational resources to align the firm behind such an effort, the results are intended to amount to improved organisational performance, integrated brand equity development, and ultimately, value creation for stakeholders, through competitive advantage.

Research implications are supported by certain practical and managerial implications, which are the subject of the following section.

9.4 Managerial implications

Aspects of the research that have direct implications for practitioners are brought into focus in this section of the chapter. The proposed model and empirical results suggest several important implications for how organisations build a brand aligned approach and how they integrate brand and strategy as part of deriving competitive advantage, thus ensuring that the internal and external efforts of the brand are synchronised and supportive of organisational strategy.

If brand constitutes an important part of an organisation's business strategy, a strong brand orientation or adoption of branding at a strategic level is essential in the business. Cases C and D demonstrated that brand enables and supports business strategy and can be deployed to great effect in organisations, if embraced. The link to organisational architecture is useful in that it demonstrates how brand can and should be deployed by managers in the enablement of strategic implementation and through this, improved organisational results and competitive advantage. This supports the thinking of brand alignment as an organisational capability within the resource-based view discussed previously, defined as a key finding and implication from this thesis.

Brand as a business and strategic priority is directly influenced by leadership. Cross case comparisons in this study demonstrated the efficacy and impact, or lack thereof, which have clear implications for the organisation, both at an executive level and throughout the management structure of the business. This study has highlighted the need for, and the role of, leadership to embrace the brand aligned approach and cascades through operational and line management to ensure its effectiveness.

The connection between brand and the culture, values and behaviours within the organisation surfaced as an area that warrants the attention of management and the practitioner, which also supports further research. In the contrast cases A and B, brand played an insignificant role in the culture and values of the business, the net effect being that culture was dominated by sales and production respectively. In brand led organisations such as cases C and D, the converse was true. Brand was intertwined with business strategy and enabled leadership to utilise it as a means of shaping culture, communicating values and shared meaning, as well as supporting requisite behaviours. The opportunity to utilise brand as an internal instrument to realise and meet the external brand expression constitutes a management opportunity.

The latter part of the above point alludes to the concept of connecting the internal and external brands of the organisation. This researcher posits that this area of branding has been neglected and proposes that practitioners pay more attention to this. Brand alignment, as defined in this study, suggests that managers should ensure an internal understanding and adoption of the brand, prior to the external messaging that takes place. This will ensure an improved understanding of brand behaviours and ultimately meeting the external brand promise of the organisation. This in turn will yield improved stakeholder experiences and ultimately derive competitive advantage for the organisation. Brand alignment also suggests improved resource allocation by the organisation in order to achieve this.

Systems and structural support are essential to build a brand aligned organisation. In the enablement of the internal brand, organisational and brand structures need to be conducive and supportive of the brand intent, whereas systems similarly need to facilitate behaviours and the realisation of the external brand promise. Organisational knowledge, skills and abilities are thus optimised through such support and the attendant capacity of the business is unlocked by building stakeholder delivery. Structure and systems are not the silver bullet, however, as informed by the cross case comparisons. Case B had high levels of structure, control and systems but proved to be a contrast case in the brand alignment context by failing to make the brand work internally and to engage people. Case C, conversely, had certain complexities in a federal business model and complex structure, yet yielded tremendous levels of alignment and business results, suggesting that the will and impact of leadership, culture and values played a strong role. This finding and implication for management was similarly confirmed at Case D.

The study has also brought forward the question of internal brand equity and the extent to which this is acknowledged in practice and applied by practitioners in instances of brand performance tracking and equity determination. This is a recently emergent phenomenon that is also raised in very current literature and is therefore addressed as a possible research suggestion, covered in the concluding section of this chapter.

9.5 Limitations and further research

A limitation of that which has been presented in this research report is that it draws on an emergent, restricted set of theory in the clearly delineated subject of internal branding, given its wide use of interpretation and level of complexity or usage. Empirical studies, and in particular, qualitative case research, is limited in this area and this work would have benefited by being able to draw on a wider base of established research. This study in itself has probed and been confined to four case organisations. A wider sample set would be of value to further enhance the generality of the study. It is this very limitation, however, that gives rise to future research opportunities.

Useful research is that which demonstrates an ability to generate new knowledge and understanding as well as stimulate areas for further research (Vallaster, 2004:110). Several suggestions are identified as a result of this work and advanced as further research possibilities.

A core finding in this study is the role that brand alignment can play in the realisation of strategic intent and ultimately competitive advantage. As discussed, the case research took place across four sites, two of which were support cases and a further two, as contrast cases. While generality was found through the process, it would be very valuable to develop longitudinal studies tracking this data over time and further enhancing this finding through continued empirical study of a greater number of organisations, including the generation of quantitative data. Such research could specifically examine the triumvirate of brand alignment, strategy and business performance, and look at the correlation and findings of such data, thus widening the framework in the process of future research.

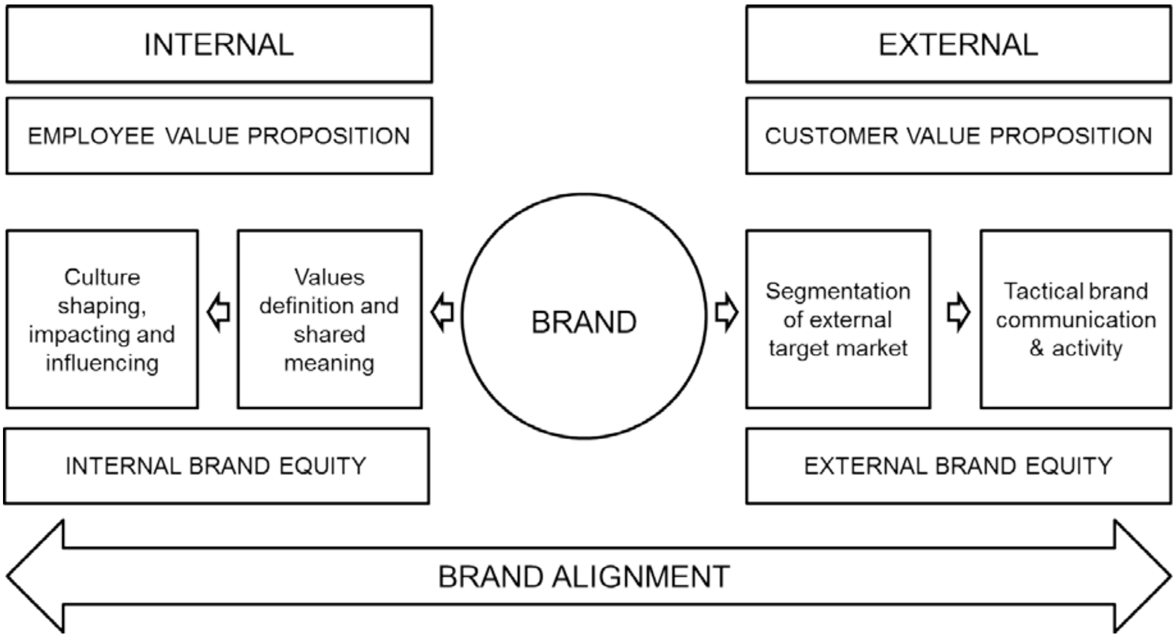
As a second area for further research and linked to the notion of business performance, the arena of brand equity should be considered. Salinas (2011:47), in her current work, has argued that the existing brand equity models are flawed when it comes to turning general brand metrics into financial valuation. Research in this area could take on two separate or inter-related forms. In the first instance, the initial study could further explore the role of internal branding per se in the formation of overall brand equity, possibly utilising the brand alignment framework, an area that has been neglected and has only recently begun to surface in studies such as those of Kimpakorn and Tocquer (2010:378); and Baumgarth and Schmidt (2010:1250). The second dimension of this research area, assuming brand equity causality, will be to financially model this into the brand valuation framework and possibly further enhance the thinking in a hotly contested territory between marketing and finance (Salinas, 2011).

The issue of brand and culture gives rise to another research possibility in exploring the connection between strategy, values and brand. This surfaced very strongly in the data for Case C, and to a lesser extent, Case D, and was heavily influenced by the work of Barrett (2006). It was leadership at this site, rather than Barrett, that made the direct link to brand; however, his language and methodology focused on the connection between strategy, values and culture, in particular. The gap therefore is the link between culture and brand specifically and the extent to which the former can be directly shaped, moulded and influenced by the latter; or vice versa. To some extent, the author of this study has surfaced this issue and incorporated it into the brand alignment model and identified it as a possible evolution of the organisational architecture framework. However, it will prove useful to continue building this theory and tracking its findings.

Apart from the impact of leadership and line management, the departmental responsibility for the construct of brand alignment is not yet clearly defined and straddles somewhere between marketing, human resources, corporate communication and possibly organisational design, where appropriate. This poses an opportunity to further probe and explore a clearer definition and possibly even approach, with some literature reviews and selected respondents discussing the concept of a chief brand officer. This would certainly constitute a more collaborative organisational approach.

A final research possibility is to build on the case research conducted in this study and further expand its generality across a broader spectrum of cases. Researchers could look more deeply into a wider sample of service and product based industries and multi-national organisations, in particular, as well as their ability to build brand alignment across multiple subsidiaries and diverse geographic regions. This could also be extended into parastatal organisations and governmental bodies, where service delivery and performance also constitute key factors.

In an effort to frame the brand alignment dialogue as expressed above, Figure 9.13 is advanced, not as a theoretical model, but one to visually depict the brand-specific dimensions of this discourse and use it as a point of departure for further research. This frames brand in a focused and isolated sense, from within the discussion of organisational architecture; and may facilitate further research that looks at elements of the brand alignment construct within a more detailed brand context.



Source: Author

Figure 9.13: Brand equity framework for further research

The above illustration constitutes the key further research outcomes of this work that will add value to the discourse and further develop theory in the direction of brand alignment for competitive advantage.

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APPENDICES

Appendix 1: Schedule of interviews – Case A

A	Date	Designation	Comments
A1	28/02/07	Group CEO	
A2	28/02/07	HR Director	
A3	01/03/07	Group Financial Director	
A4	01/03/07	Strategy Director	
A5	07/03/07	Executive Director: Strategy – Investment Solutions	
A6	14/03/07	Managing Director: Africa Financial Services	
A7	14/03/07	Managing Director: Investment Solutions	
A8	14/03/07	Managing Director: Afrinet	
A9	19/03/07	Executive Director: Investment Solutions - CIO	Video Conference
A10	26/03/07	Executive Director: Investment Solutions - UK	Video Conference
A11	26/03/07	Business Development: Investment Solutions UK	Video Conference
A12	26/03/07	Managing Director: AFFS UK	Video Conference
A13	26/03/07	Corporate Development Director: AFFS UK	Video Conference
A14	26/03/07	Chief Operating Officer: AFFS UK	Video Conference
A15	27/03/07	Head of Marketing: International Financial Services UK	Video Conference
A16	27/03/07	Managing Director: International Financial Services UK	Video Conference
A17	27/03/07	Divisional Director: AFFS UK	Video Conference
A18	27/03/07	Healthcare Managing Director: AFFS UK	Video Conference
A19	27/03/07	Business Development Director: LCP UK	Video Conference
A20	30/03/07	Managing Director – Africa Risk and Insurance Services	

Appendix 2: Schedule of interviews – Case B

B	Date	Designation	Comments
B1	11/06/07	Chief Financial Officer	
B2	12/06/07	Chief Executive Officer	
B3	13/06/07	Chief Information Officer	
B4	13/06/07	Chief Operating Officer: ARM	
B5	14/06/07	Chief Commercial Officer	
B6	15/06/07	Chief Operating Officer: Cement	
B7	15/06/07	HR Executive	
B8	02/07/07	General Manager: ARM	Combined Group Interview
B8	02/07/07	General Manager: ARM	Combined Group Interview
B8	02/07/07	General Manager: ARM	Combined Group Interview
B8	02/07/07	General Manager: ARM	Combined Group Interview
B9	03/07/07	General Manager: Cement	Combined Group Interview
B9	03/07/07	General Manager: Cement	Combined Group Interview
B9	03/07/07	General Manager: Cement	Combined Group Interview
B9	03/07/07	General Manager: Cement	Combined Group Interview
B10	11/07/07	Consortium	Combined Interview
B10	11/07/07	Consortium	Combined Interview
B11	12/07/07	Consortium	Combined Interview
B11	12/07/07	Consortium	Combined Interview

Appendix 3: Schedule of interviews – Case C

C	Date	Designation	Comments
C1	24/05/07	Group Chief Economist	
C2	24/05/07	Head: Group Market Research Unit	1st Interview
C3	24/05/07	Head: Strategic Planning & Marketing: Business Banking	
C4	28/05/07	Divisional Director: Corporate Banking	
C5	28/05/07	Divisional Director: Human Resources	1st Interview
C6	29/05/07	Managing Director-Middle Market: Retail	
C7	29/05/07	Head: Retail Marketing	1st Interview
C8	30/05/07	Executive IT Strategy, Group Technology & Support Services	
C9	30/05/07	Group HR Executive: People Practices	
C10	01/06/07	Head: Group Internal & External Communication	
C11	04/06/07	Assistant to the CEO	
C12	11/06/07	Divisional Director: Group Marketing	1st Interview
C13	12/06/07	Brand Manager: Internal	
C14	13/03/08	Head: Group Market Research Unit	2nd Interview
C15	14/03/08	Brand Manager: External	
C16	19/03/08	Divisional Director: Group Marketing	2nd Interview
C17	08/04/08	Head: Group Advertising & Marketing Communication	
C18	06/06/08	Head: Strategy	
C19	13/06/08	Divisional Director: Human Resources	2nd Interview
C20	06/08/08	Marketing & Communication: Nedbank Corporate – Africa	
C21	18/08/08	Head: Retail Marketing	2nd Interview
C22	19/09/08	Chief Executive Officer	
C23	12/12/08	Head: Brand Management	

Appendix 4: Schedule of interviews – Case D

D	Date	Designation	Comments
D1	10/12/08	Executive: Corporate Affairs & Strategy	1st Interview
D2	27/02/09	Manager: Brand	
D3	19/05/09	Executive GM: Human Resources	
D4	19/05/09	Chief Executive Officer	
D5	19/05/09	Manager: Internal Communication	
D6	19/05/09	Manager: Corporate Communication	
D7	21/05/09	Retired Chief Executive Officer	
D8	23/06/09	Executive General Manager: Coal	
D9	24/06/09	Manager: Organisational Design & Learning	
D10	24/06/09	Executive General Manager: Growth	
D11	24/06/09	Executive GM: Base Minerals & Sands	2nd Interview
D12	30/07/09	Organisational Design & Change Management	

Appendix 5: Interview guide: cases

Company: ____

Interviewee Name: ____

Designation: ___________________________ Date: ______________

Orientate interviewee on nature of study and objectives of interview, stressing confidentiality of information.

In the background to the business:

- Please describe the nature of the organisation and the industry you are in.
- Would you define the business as product or service based, or both?
- In what countries does the organisation operate?
- What are the key strategic issues that the organisation currently faces?

On the issue of branding:

The external brand

- What is the external brand proposition or positioning in the market?
- What are some of the marketing tools utilised in reaching the external market?
- Please summarise your external target market segments

- Are you primarily focused on business to consumer or business to business marketing?

The internal brand

- To what extent is this external brand proposition understood internally?
- Is this internal brand understanding translated into service delivery, behaviours and performance expectations?
- If so, how? Are there any specific interventions to derive this?
- Who in your opinion is responsible for internal branding? Individually and departmentally?
- Is brand a key performance measure within the organisation?

The role of leadership:

- Does your CEO or the executive leadership team embrace and positively impact the brand internally?
- Do you think that the role of leadership is key in building a brand-oriented organisation?
- Is leadership committed to a long term vision in this regard or are there short term expectations?
- Is leadership willing to invest funds and resources toward building the brand internally?
- Does leadership display visibility and lead by example on the concept of internal brand?

In considering the company culture:

- How would you describe your organisational culture?

- Is there a well defined set of organisational values that align cultural understanding and requisite behaviours?
- Is there a particular business model that defines this practice and approach?
- What methods are used for culture activation and alignment in the business?

Discussion around structure:

- Is there a particular organisational structure to suit this alignment and delivery? If so, please describe or diagrammatically depict this.
- Are there organisational limitations that prevent/retard this?
- What is the degree of cooperation and collaboration across departments within the business on the issue of internal brand?
- Does a centralised or decentralised marketing structure support or detract from this? Why?
- How do you interact with and support line management on internal branding; and what is the relationship like?

Corporate reputation and brand equity:

- How would you describe your company reputation?
- Is this seen as a brand and why?
- Do you think there is perceived equity in your brand?
- Are there any measures in place to track or quantify your brand equity or brand performance?
- Does your internal brand play any role in such a measure, if it does exist?

The overall brand orientation:

- Would you define the company as a brand led or brand oriented organisation? Why?
- Is brand seen as a broader business imperative or simply as a function of marketing?
- Is brand regarded as a strategic conversation in the business or as a tactical marketing activity?
- Are appropriate resources allocated to the development of your brand orientation?

The degree of brand alignment:

- If there is an internal brand orientation, is this aligned with the external brand promise?
- As your external brand positioning shifts in line with your strategic business shifts, is this updated or evolved internally within the business?
- Are there any strategic reports, research findings or organisational artefacts that provide evidence of the organisations' degree of brand alignment or orientation?

Evidence of competitive advantage:

- Would you say that your approach derives competitive advantage in your category? Is there any empirical evidence to support this?
- Is there any quantifiable evidence of improvement in organisational results emanating from this brand-led approach?
- Is there any tangible competitive advantage against primary category peers as a result of your approach to branding and brand alignment?

In closing:

- Is there any other aspect of the brand, organisation, its people and the structure that may be pertinent to this study?
- Are there any other questions i should ask?
- Are there any other people I should contact or interview?
- Are there any other documents, information, reports or artefacts that I should be aware of? (see checklist)

Site Inventory Checklist:

-	Annual report	
-	Business strategy documents / presentations	
-	Brand strategy documents / presentations	
-	Samples of external brand communications	
-	Samples of internal brand communications	
-	Climate or culture study reports	
-	Employer brand documents / reports / evidence	
-	Organisational artefacts	

Appendix 6: Case contact summary form

This summary form was utilised after each interview.

Site and contact date:___________________________

1. What were the main issues or themes that struck you in this contact?
2. Summarise the information you got or failed to get, on each of the target questions:
    - Background
    - External brand
    - Internal brand
    - Leadership
    - Culture
    - Structure
    - Corporate reputation/brand equity
    - Overall brand orientation
    - Brand alignment
    - Competitive advantage

3. Is there anything else that struck you as salient, important or illuminating in this contact?
4. What remaining or additional target questions do you have in considering the next contact with this site?

Appendix 7: Document summary form

This summary form was utilised to categorise documentation received.

1. Site: Name of Company/Subject matter expert
2. Document number
3. Date received
4. Name or description of document
5. Event or contact with which the document is associated
6. Significance or importance of the document
7. Brief summary of contents
8. Central or crucial to a particular contact or site?

Appendix 8: Case analysis form

1. Main themes, impressions and summary statements about what is going on at the site.

2. Explanations, suggestions, speculations and hypotheses about what is going on at the site.

3. Alternative explanations, reports or disagreements about what is going on at the site.

4. Next steps for data collection.

5. Any implications for coding?

Appendix 9: Case analytical framework

Looking at the background to the business:

- Please describe the nature of the organisation and the industry you are in.
- Would you define the business as product or service based, or both?
- In what countries does the organisation operate?
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On the issue of branding:

The external brand

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- Is there any quantifiable evidence of improvement in organisational results emanating from this brand-led approach?
- Is there any tangible competitive advantage against primary category peers as a result of your approach to branding and brand alignment?

Conclusion:

- Is there any other aspect of the brand, organisation, its people and the structure that may be pertinent to this study?
- Are there any other questions I should ask?
- Are there any other people I should contact or interview?
- Are there any other documents, information, reports or artefacts that I should be aware of? (see checklist)

Appendix 10: Atlas.ti data analysis summary

CD attachment on inside back cover containing full case data and analysis