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Five Areas to Advance Branding Theory And Practice

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Commentary to Journal of Brand Management:

Five Areas to Advance Branding Theory And Practice

Abstract

The paper suggests five areas to advance branding theory and practice based on the authors’ recent work in brand management.

In this commentary, we aim to put forward suggestions and ideas for further research in brand management; ideas, which we believe will have an impact on the way branding is researched and practiced by both academics and practitioners alike. We will focus on the future of branding in the following areas, inspired by our own work in the field: (1) branding in higher education, (2) branding in Asia Pacific, (3) brand ambidexterity, (4) brand innovation on social media, and (5) brand likeability.

Branding in Higher Education

As evidenced by our recent special issue on branding in higher education in Journal of Business Research and several calls for book chapters by our colleagues, we believe that branding in higher education will continue to be more important, not just
with the adaptation of branding from industry to the higher education sector, but also the other way around.

Universities today are increasingly competing for international students in response to trends in global student mobility, diminishing university funding, and government-backed recruitment campaigns. This competition drives the need for universities to focus on clearly articulating and developing their brand (Hemsley-Brown and Goonawardana, 2007). The higher education sector has much to gain from the benefits of successful branding, which is already well established in the private sector, but more research is needed that specifically relates to the branding efforts of public sector organizations, including non-profit colleges, public and private universities (Watkins and Gonzenbach, 2013). For example, traditional branding concepts such as identity, image, and reputation are just some of the many branding ideas that are becoming increasingly important, as both organizations and managers are eager to develop distinctive identities, improve images, and enhance reputation in this highly competitive global environment.

Questions remain as to how brand management can adapt and develop theories from strategic management with the incorporation of concepts such as market-orientation, learning-orientation, entrepreneurship-orientation, etc., which should be developed further both in relation to the branding literature as well as in the higher education context. In this respect, we encourage further developments of the ‘brand-strategic management’-link, much to the benefit of branding, since strategic orientations, arising from higher education, might support the generalisability of the theories or reveal modifications, both of which are interesting to the branding literature.
For example, researchers are exploring diverse factors pertinent to the efficacy of branding and prior studies have examined the associations between branding and performance in higher education order to improve employee commitment, reduce staff turnover, and increase productivity (Robertson and Khatibi, 2013). However, the majority of these studies adopt frameworks from business sectors and industries as research samples, which are highly commercial and profits and performance-oriented with implications that seldom have much relevance and application in the higher education sector, such as the management of faculties, universities, and colleges (Harris and De Chernatony, 2001; Hankinson, 2012; Hsiao and Chen, 2013). On the whole, we believe that in higher education there is considerable debate and uncertainty about how to respond to competition and how to capitalize on the opportunities globalization offers. Therefore, we believe that it is very timely to seek to publish more research, which critically engage with theoretical and empirical issues branding conjointly with strategic management, in order to draw from as wide a range of perspectives as possible in the context of higher education.

The higher education sector provides an interesting environment to the development and management of branding concepts due to a number of reasons. Its diversities across faculties, subjects, status, student populations, etc. require emphasis on different issues in different faculties and institutions (Asaad, Melewar, Cohen, and Balmer, 2013). Moreover, multiple strategic directions are necessary due to differing organizational cultures, development stages, resources, politics, and student profiles require, all in a single organization. Due to these complexities, we believe the study of the brand management concepts in the higher education sector to be critical topics
for further investigation. We recognize that to date, there are insufficient empirical studies to support our understanding of branding in a comprehensive higher educational discourse (Chapleo, 2011).

Much remains unknown about how branding is perceived in the higher education sector; how a higher education university brand manages multiple identities, which may differ among stakeholder groups, how all these concepts inter-relate, and how institutions build and re-build strong brand identities. Existing studies primarily focus on models explaining existing concepts from managerial and business perspectives, which are insufficient and often not pertinent in this context. By understanding how higher education universities, colleges, and departments create desirable brands, universities can attract world-class faculty, sponsorship, and high quality students (Melewar and Akel, 2005). For brand managers in higher education, improved public image and goodwill are necessary and a greater understanding of how key strategic decisions influence branding concepts such as identity, image, and reputation will contribute towards efficient use of marketing resources, cost-saving, and increased income from multiple sources. Perhaps the brand management domain may need to permeate, adapt, and influence all levels, departments, functions of the university organization in order to develop new areas, theories, and frameworks. How may brand management influence operations research or leadership theories? What can be done in the areas of competition versus collaboration within branding? More questions are needed in order to provide answers for these areas of branding, especially in higher education, where it is needed more and more. Implications exist both for universities’ brand performance, as in advancing knowledge specifically to brand management.
Branding in Asia-Pacific

Branding in Asia holds no doubt great potential, but rather than simply being the adaptation of existing branding theories from mutual market economies (i.e., most Western countries), what is there to gain from the Asian countries in terms of developing brand management practice and theory? The Asian perspective on branding is something we have been working on for many years, some very recently with our branding special issue in Asia Pacific Journal of Business Administration and our collection of books and case studies with publishers such as Palgrave and Springer. Therefore, we believe that much of the new branding research will take place in this arena.

We have noticed that there is a growing interest among both academics and practitioners in understanding the Asian brands, its development, consumers and companies. For example, Alibaba, one of the most successful companies in China, recently developed the 'yu'e bao' app. As a mobile payment system, it is hoped that ‘yu’e bao’ will reshape the Chinese business owners' finances with an easier system and branding efforts have been associations with its founding personality, Mr. Jack Ma, a well-respected business personality across China. Yu’e Bao, which means 'savings balance treasure,' is a money market fund that is now proving to be a potential disintermediator to the entire financial market (Cheng 2014) and its meteoric rise demonstrates the potential for new entrants to break up existing relationships and seize market share in a shifting landscape. Such branding combined with innovation
on the Internet are powerful tools that can break legacy barriers across the emerging countries of Asia.

Yet, success in one country in Asia does not mean success in another. While many foreign global brands desire to have a big slice of the consumers, it is not easy to enter the Asian market. For example, Best Buy – the world’s largest consumer electronics retailer – pulled out of China in 2011. In another example, in Indonesia, a number of big global brands such as Wal-Mart and Harvey Nichols also failed. One of the reasons was related to these brands being unknown to the local consumers; others due to the culturally diverse market. In conjunction with China and India, consumers in Indonesia exhibit great linguistic, religious and cultural diversity (Dawar and Chattopadhyay, 2002) creating great barriers to entry and subsequent success (Japutra et al, 2015). Exploring branding in Asia-Pacific is vital for developing and managing positively perceived brands that help a company achieve higher levels of performance.

The Asian countries are highly diverse and provide a difficult environment to the development and management of brands, consumers and companies (Frazer and Merrilees, 2012). Differing cultures, economic development stages, resources, politics and consumption behaviors require multiple emphasis on different things in different markets (Melewar and Saunders, 1998). For example, while some parts of Asia are often known to provide platforms for inexpensive manufacturing, other parts are known for high quality, originality and innovativeness. The belief that bottom line profits is enough for a company, is often not favorably viewed by Asian countries emphasizing collective, social and long-term benefits for the people and country
(Chen, Nguyen, and Klaus, 2013). Due these challenges, we view the study of brands in Asia-Pacific to be appropriate topics for further investigation, of which, we not only think of Asia in general for branding research, but also, looking at the development of branding across different industries, countries, economic zones, comparative cultures, etc.

In Asian markets, areas such as relationship building and a ‘benefit-the-country’ attitude are sometimes more important than investing enormous amounts on advertising (LaFaret and Chen, 2012). By understanding how desirable brands are created in Asia, companies can induce a higher propensity to buy from a particular source, consequently leading to consumer patronage (Balabanis, Mueller, and Melewar, 2002). For marketers, a greater understanding of consumers’ decision making processes influences decisions towards efficient use of marketing resources, saving costs and increasing profits. By exploring the myriad of companies that exist in Asia, it is possible to benchmark best practices to achieve sustainable competitive advantages, contributing to higher levels of goodwill and improved reputation.

More recently, many countries in the Asia Pacific have become economic engine-rooms in the global market for the supply of brands. There is now greater competition among local and transnational companies for growing markets and consumers’ share-of-wallet. Hence, the scope of the branding research in the Asia-Pacific region is expanding rapidly with concepts such as ‘glocalization’.

To date, there are limited empirical studies in understanding Asian brands in a comprehensive discourse (e.g., Wong and Merrilees, 2007) and more research is
warranted. In addition, little is known about how brands are perceived in Asia, the type of research methods used to understand consumer behavior, and how companies are operationalized successfully. How brands, consumers and companies inter-relate and work in different Asian countries are important issues that are still unanswered. We believe that existing concepts and managerial implications are insufficient and often outdated in this fast changing continent and hope to see more research conducted in the region.

**Brand Ambidexterity**

As noted above, higher education sector has much to gain from the benefits of successful branding, which is already well established in the private sector, but more research is needed that specifically relates to the branding efforts of public sector organizations, such as non-profit colleges and universities (Watkins and Gonzenbach, 2013). In our recent work, we have incorporated concepts from the strategic management literature to the brand management in higher education. We set our background to the complex challenges presented by globalization and technological change towards universities, and we propose that these universities must adopt an entrepreneurial mindset and emphasize both exploration and exploitation type-opportunities (Gedejlovic et al, 2012; Hitt et al, 2001; Shane and Venkataraman, 2000; Yu, Chen, Nguyen, and Zhang, 2014).

Of these, exploration-type opportunities involve pursuing business opportunities that are radically new to the university, whereas exploitation-type opportunities involve
the pursuit of opportunities to refine and sustain competitive advantages in areas in which the university currently operates (March, 1991). This is what we refer to as

*Brand Ambidexterity*, that is the ability to pursue two contrasting strategic directions simultaneously. Researchers generally agree that pursuing an *ambidextrous* orientation, that is, the ability to attend to both exploration and exploitation-type opportunities is highly desirable, as it balances the short and long-term needs dynamically (O’Reilly and Tushman, 2008). At the same time, such an ambidextrous orientation is also difficult to achieve because exploratory and exploitative opportunities often compete for the same scarce resources and place somewhat conflicting demands on organizational processes (March, 1991; Yu *et al*, 2014).

While prior studies examine diverse factors pertinent to the efficacy of ambidexterity, the majority of these studies adopt business sectors and industries as research samples, leading to more commercial –profits and performance– oriented implications (Harris and De Chernatony, 2001; Hsiao and Chen, 2013). In general, the findings from these studies do not have much relevance and application in the higher education sector, with the management of a non-profit organization, which include faculties, universities, and colleges (Hemsley-Brown and Goonawardana, 2007). However, there is considerable debate and uncertainty about how to respond to competition and how to capitalize on the opportunities globalization offers. Therefore, we posit that universities must make strategic choices regarding the relative emphasis they place on competing organizational processes. Universities may emphasize one type of opportunity over the other, choose to orient the firm in pursuit of both types, or fail to develop a strategic orientation that attends to either type of opportunity (Gedejlovic *et al*, 2012). In our recent work, we thus explore both the consequences of such strategic
 orientations as well as the mediating processes that account for some of the consequences’ effects. We focus specifically on ambidexterity linking it to brand reputation and brand performance, considered as two key outcomes of any university branding strategy (Hankinson, 2012; Melewar and Akel, 2005). However, more work is needed to further develop the concept of brand ambidexterity.

There is a lack of branding research that examines how the roles of ambidextrous strategies influence outcomes such as brand reputation and brand performance (Bruton, Ahlstrom, and Li, 2010). This represents a research gap in studying the combining effects of institutions and organizational capabilities, which influence opportunity identification and exploitation (Lubatkin et al, 2006; Teece, Pisano, and Shuen, 1997; Wilson et al, 2014). In our research, we aim to fill this research gap by linking firms’ organizational ambidexterity, brand reputation, and brand performance and further posit a dual ambidextrous emphasis on firms’ exploratory and exploitative innovation strategies through the mediating effects of brand reputation. We conduct our research in the higher education sector in the UK, and in doing so, extend the literature on ambidexterity and branding to a setting that has both practical and theoretical importance (Li et al, 2012). Yet, our model is only at its early stage to link branding with ambidexterity theories and future researches are encouraged to further develop brand ambidexterity by considering which seemingly contrasting concepts might work altogether nonetheless, despite previous studies suggesting otherwise. That is, researchers should consider not just adopting one theoretical concept, but combine varying contrasting ideas and investigate what might be necessary to make it work. This is what we believe could be the solution to achieving greater brand performance.
Brand Innovation on Social Media

The future of brand innovation lies in social media. Continuing the discussion above on identifying varying perspectives to increase brand performance, we identify that social media provides a context where ‘almost anything is possible’ and that our developed concept of social media strategic capability may be ‘the missing link’ to enhancing two types of market orientations (proactive and reactive) and in achieving greater brand performance including brand innovation.

Scholars suggest that the success of online technology firms come from alertness to market opportunities and consumer understanding (Oliveira and von Hippel 2011; von Hippel et al, 2011), suggesting that such market knowledge is a source of competitive advantage (Alegre et al, 2013; Yu, Chen, and Nguyen, 2014). Jantunen (2005) states that incorporating market knowledge inside an organization is a strategic asset, which helps the firm maintain its competitive ability. He notes that knowledge is a critical advantage that leads to a firm’s innovation activities (Cadwallader et al, 2010; Jantunen, 2005). In our recent study, we focus on the knowledge acquired from social media channels, which is widespread and growing, and encompasses all types of information on customers, suppliers, market volatility, legal, and anything beyond and above discussion forums, social networks, rating sites, blogs, crowdfunding sites, among others.

Despite the importance of social media market knowledge and subsequent, innovation activities, we note a research gap in the literatures on knowledge acquisition from
social media and market orientation in relation to brand management, in particularly, in the social media context (Kim and Ko, 2012; Quinton, 2013; Tian et al, 2013). Researchers have considered conventional acquisitions of knowledge and market orientation as important firm-level activities and ultimate drivers of economic development (e.g., Augusto and Coelho, 2009; Li et al, 2010), however on social media, these concepts are little researched, and even less in an adaptation to branding literature. Exploring the processes pertaining to knowledge acquired from social media and how it is used inside the organization improves our understanding of the way in which such knowledge may cause the firm to be more alert of market opportunities (Atuahene-Gima and Ko, 2001) and more market oriented, namely towards its customers and competitors from an out-side in perspective (Cai et al, 2014). We believe that using these strategic management concepts is beneficial to develop brand management further.

For example, extant literatures suggest that most firms adopt at least one of the two forms of market orientations towards discovering market opportunities, namely proactive or responsive (e.g., Marvel and Lumpkin, 2007). While ‘responsive market orientation’ (Narver et al, 2004) refers to firms' focus on understanding customer preferences and satisfy customers’ needs in an existing market structure (Samuelsson 2001), ‘proactive market orientation’ (Narver et al, 2004) refers to firms' focus on addressing customers’ latent needs, that is, largely unexpressed (consciously unaware) needs. However, previous studies show different effects of each orientation on innovation (Narver et al, 2004) with few researching these topics in a branding context, and even less research has taken these concepts to the social media context (Cai et al, 2014; Yu, Nguyen, Chen, 2015). Hence, we encourage more research to fill
this under-researched area. In our own work, we investigate relationships between knowledge acquisition from social media, market orientation, and brand innovation of online-based new ventures in China’s dynamic social media environment.

We continue our development of furthering branding concepts by developing *social media strategic capability*. Research suggests that an organization’s strategic capability has greater influence on innovation (Tan, 2001). In our research, we posit an emphasis on firms’ social media strategic capability, that is, the ability to integrate firm resources and skills to align with the firms’ strategic directions (Bierly and Chakrbarti, 1996; Teece, 2007; Teece, Pisano, and Shuen, 1997). To the best of our knowledge, we are first to examine the effects of social media strategic capability in the context of innovation of brands on social media, and we believe that there are important implications from recognizing how knowledge acquired from social media relates to brand innovation (Tian *et al*, 2013) and how well it is managed inside the organization (Gold *et al*, 2001). Failure to appreciate the role of social media knowledge will have stark implications for strategic marketing, resulting in lower market and customer awareness, consequently, eroding both a vital source for brand innovation and subsequent innovation itself.

We conclude several examples of social-media based brand innovations, mostly related to China, but also in general. For example:

An example brand innovation is the gifting of ‘red envelopes’, a Chinese New Year tradition of gifting money, on the WeChat (or Weixin) app. The Weixin team came up with the idea of taking this tradition into the digital era, so that rather than (or,
perhaps, in addition to) giving red envelopes with money to family, friends, employees or business partners, Weixin users are able to tap into digital payments and send monetary gifts of up to CNY100 (around $16.50) per time to others on the chat app (Hong, 2014).

In our review, we find that CooTek, a developer of a soft keyboard for smart phones, demonstrates our proposition well. The founder, Michael Wang, identified a business opportunity in soft keyboard when he noticed that many of China’s iPhone users complained about the inconvenience of the keyboard, which was originally designed for the western’s customers, in various online communities. To exploit this opportunity, Wang started a venture patenting an app named TouchPal to overcome this issue. In 2014, CooTek was listed as in the ‘Top 10 Most Innovative Companies in China’ list by FastCompany (2014).

Another example include Coca-Cola’s ‘Share a Coke’ campaign, in which their iconic logo on the bottles are swapped with the customer's name, so that one customer can Share a Coke with other people who matters to them the most. Price (2014) identifies that this campaign has taken social media branding to a different level as it builds on learning from social media and to a large extent, incorporates this knowledge inside the organization with the mass customization (and production) of bottle labels.

Another example demonstrating proactiveness and brand innovation can be observed on the crowdfunding website and community Kickstarter. This online community has been an important source to understand and fulfill the market's latent needs, which, in only a few years, has led to many radical innovations with product innovations that
the customers did not even knew they wanted (Kickstarter History, 2014). This process of learning from social media is changing the markets and brand management dramatically.

**Brand Likeability**

As social media continues to advance and impact on branding, the ability to develop a unique social media brand personality is needed, and we believe that likeability of such a personality is of utmost importance. We conclude our commentary with a concept, which we have received much attention with, with the concept being listed by Routledge as highly cited in 2013-14 among 25 Highly Cited Marketing Articles. Our concept of brand likeability deserves greater attention, as likeability is a concept that is little researched in firm level brands.

Although marketers implicitly emphasize the importance of likeability in the advertising (Yilmaz, Telci, Bodur, and Iscioglu, 2011), customer experiences (Helkkula, Kelleher, and Pihlström, 2012), and consumer decision-making models such as the model of buyer readiness states and hierarchy of effects model (Lavidge and Steiner, 1961), the question of ‘what is likeable?’ has not yet been answered thoroughly. Few studies have to date examined what causes a firm or brand to be perceived as liked or disliked (Nguyen, Melewar and Chen, 2013a). Our research has attempted to provide insights into the concepts that explain likeability and a starting
point for a sought after conceptualization that captures the domains of the construct of brand likeability (Nguyen, Choudhury, and Melewar, 2014; Reysen, 2005). As we focus specifically on likeability in consumer-brand relationships, investigating consumer perceptions, of which likeability may have a spill-over effect and seen as a brand personality trait (Lee, 2013), we have developed an exploratory study to study brand likeability in-depth using a qualitative study (Nguyen et al, 2013a; we have developed an integrated framework of brand likeability with suggested antecedents and consequences (Nguyen et al, 2014), and finally, we have constructed and tested a brand likeability scale to measure the likeability of firm-level brands (Nguyen, Ekinci, Simkin, and Melewar, 2014). Providing insights into the managerial implications of the ‘brand likeability effect’, we believe that much more research is needed to develop the concept further.

Questions remain as to how customers determine likeability and their impression of a firm? Why is it that certain brands are perceived as likeable, when others are not, although they are doing similar things with their customers? It is likeable for a firm to be more personal and friendly, or do customers see firms’ befriending them as being too intrusive? These are the questions that indicate the depth and complexity of the likeability concept, effect, and range. In order to answer these questions, an understanding of the concepts and theories that underlies likeability is required and further research required.

Drawing from the psychology literature, likeability has been defined as “a persuasion tactic and a scheme of self-presentation” (e.g. Cialdini, 1993; Kenrick, Neuberg, and Cialdini, 2002; Reysen, 2005). Alwitt (1987) found that likeability is described by a
multidimensional construct with cognitive and affective components. Leo Burnett Company (1990) developed a scale to measure liking and found that visual effects, high quality production factors, degree of activity, and the story of adverts were correlated to liking. More recently, Reysen (2005) developed a scale that can be used as a tool to study features of likeability. By looking at factors such as friendliness, approachability, attractiveness, levels of knowledge, similarity to oneself, and agreeableness, the Reysen Likeability Scale attempts to measure the likeability of a person. He noted that the more agreeable people are, the more they are likely to rate the individuals as likeable (Reysen, 2005). In our brand likeability scale, we confirmed several of these aspects, but further extended the scale to four dimensions. That is, in the context of service experience purchases, we find that increased likeability in brands results in (1) greater amount of positive association, (2) increased interaction interest, (3) more personified quality, and (4) increased brand contentment. Brand likeability is shown to positively associated with satisfaction and positive word-of-mouth, yet, we believe that brand likeability can be managed more strategically, as it addresses the need for firms to act more likeable in an interaction-dominated economy. Focusing on likeability may act as a differentiator and encourages likeable brand personality traits. We propose that future researches should develop a more holistic brand likeability concept that includes brand engagement, brand community and social media.

For instance, Marvel, a company known for its comics and movies, is very successful at engaging their fans with frequent updates from their events, new comics, movies, and merchandise. On their Facebook page, they have over 7.8 million ‘likes’ i.e. followers, and they frequently engage with their customers by posting links, images,
questions, and videos. Another successful company is Harrods, a large department store in London, which uses social media to say ‘Good Morning’ and ‘Good Evening’ to their customers, promotes special events, and uploads their stylish magazine covers on their Facebook and Twitter (Nguyen, Melewar, and Chen, 2013b). Firms like Marvel and Harrods are not the only examples of firms who are well liked by their customers. In the advertising industry, firms have used funny advertisements to make their customers laugh for years (Bachorowski and Owren, 2001). Studies suggest that laughter is associated to aspects of liking (Reinhard and Messner, 2009; Reysen, 2005). Moreover, in the context of celebrity endorsements, research suggests using celebrities is a way for firms to induce likeability, aiming to create positive associations with a firm’s services, and that such a front figure would capture the customers’ attention and create brand loyalty (McCracken, 1989).

Even so, firms do not pay enough attention to appear likeable amongst their customers. The celebrities are likeable for what they do and who they are, so the idea that firms can do the same and be able to tap into this likeability effect is not far-fetched. Indeed, as in the Marvel example, customers often have ideas about certain firms that they like and other firms that they dislike. To address how a firm’s personalized marketing efforts, such as services, communication, and experiences can create a likeability effect, managers must not only understand their customers’ perceptions and issues related to likeability but also, clearly follow a path that emphasizes likeability, in order to successfully communicate with their customers. Therefore, brand likeability is an interesting area for brand management, as it can be developed to other areas and arenas, including strategy, internal branding, brand-relationships, brand innovation, to mention a few.
We hope our commentary has inspired branding researchers to engage in these fascinating areas of inquiry in the future to further develop frameworks and theories.

Thank you.
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