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Brand Orientation: A Mindset for Building Brands into Strategic Resources

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Learning to see intangible values and symbols as resources is the necessary step in brand orientation. At certain companies, this can mean a step into a new reality - brand reality. A new way of approaching brands within companies. This is the heart of the discussion that will be pursued in this article. In the research field that deals with strategic brand management, considerable steps forward have been taken through the development of such concepts as brand equity and brand identity. Nonetheless, there has as yet been no fundamental discussion about the way in which brands are mentally approached or about the overarching conceptual frameworks that are used by companies that compete primarily via their brands. Based on experiences from case companies, including Nestlé, DuPont, Tetra Pak, Volvo, and Pharmacia Upjohn Nicorette, the critical question will be examined of how an organization's approach is affected when its brands become to an ever greater degree the hub around which operations and strategies revolve. The organization's overall goals, values, and positions come to be expressed through brands, and thus acquire an identity. Does this changed mindset mean that we must begin to rethink the market concept and challenge the assumption that "the customer is always right"? Should the guiding light of brand development always be that of "unreservedly satisfying the customer's wants and needs", no matter what the price? Experiences from the above companies show that integrity and brand competence are required in order to create, develop, and protect brands that have an identity, and not just an image.

The Need for an Approach to Brands as Strategic Resources

Brand orientation[2] is an approach in which the processes of the organization revolve around the creation, development, and protection of brand identity in an ongoing interaction with target customers with the aim of achieving lasting

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[2] My collegue Frans Melin and I coined the term "brand orientation". One source of inspiration was our discussions with John Murphy, chairman of Interbrand, who first used the term "brand centricity". My dissertation, entitled *Brand Orientation* (1997), is based on case studies from Tetra Pak, Nestlé, Pharmacia Upjohn Nicorette, DuPont and Volvo during the period 1990-1997.

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competitive advantages in the form of brands. Olle Tegstam, senior vice president at Nestlé, remarks upon the difference between market orientation and my definition of brand orientation:

> Market orientation is on a more uncomplicated, short-term, and fundamental level. If an organization is only market-oriented, then it's still in the discussion about products and markets. Brand orientation is an additional degree of sophistication. It becomes a little bit more difficult because one has to both be market-oriented and brand-oriented. An organization can never only be brand-oriented. There have to be products that are demanded and that work together with your brand. To be brand-oriented is market orientation "plus".

In the subject of marketing, it is primarily the debate about market orientation and "the market concept" that intersects with the question of the way in which brands are approached. Market orientation is a central notion in the marketing discipline and might be called its foundation. An organization can have a market-oriented approach, which means in principle that its basic goal is to satisfy the needs and wants of customers. Even if this motive may appear self-evident and unassailable, market orientation is not unproblematic in relation to an approach that sees a brand as strategically fundamental and as a resource.

Market orientation is at bottom an external standpoint with the satisfaction of customers in competition with other companies as its objective. The brand-oriented approach that is in the process of taking shape in certain companies betrays a more deliberate and active development of brands. Certain companies strive not only to satisfy wants and needs, but also to lend a strategic significance to brands. These brands acquire an emotional and symbolic value for the organizations, which in certain cases essentially begin to live their brands (c.f. Macrae, 1996). This perspective - regarding brands as resources and as expressions of an identity - has so far fallen outside of the discussion about the concept of market orientation.

In the subject of strategy, there is also an absence of a discussion about the ways in which brands are approached. It is mainly in the resource-based strategy perspective where the question is touched upon. This strategic perspective studies the link between the resources and competencies of the firm and the development of lasting competitive advantages (Penrose 1959; Dierickx and Cool 1989; Barney 1991, 1997; Grant 1995; Hamel and Prahalad 1989, 1994). What in fact constitutes competitive advantages depends upon the competitors and the customers in the market, and these are thus the points of reference for what is unique and valuable. The basis of the strategic analysis is the firm's resources, and as such, the resource-based perspective can be said to be internal, although knowledge about competitors and customers is certainly necessary. The problem is that, until now, brands have been treated in a relatively superficial and general fashion. The brand is described as one of many resources within the firm, and there is no discussion about the significance of people within that firm basing their approach on that specific resource (c.f. Prahalad and Hamel 1990; Peteraf

1993; Collins and Montgomery 1995). There is a lack of discussion within resource-based theory about how brands are created, developed, and maintained.

The emerging, empirically based theory in my research shows the possibilities for integrating market orientation (marketing) with a resource orientation (resource-based strategy). The external perspective upon customers and competitors of market orientation complements the general theory of the resource-based perspective about the resources of the firm. This creates a stage on which to undertake a discussion about approaches that comprehend brands as strategic resources. This stage - consistent with the discussion in this article - rests upon foundations in semantics, semiotics, and law (Figure 1).

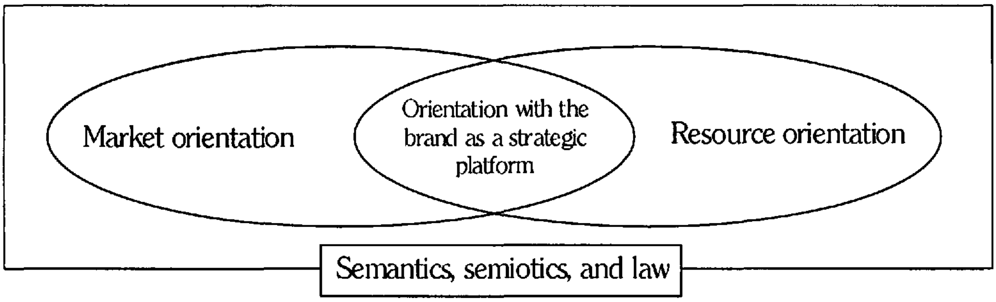

Figure 1. An Orientation with the Brand as a Strategic Platform.

The brand can be seen as an unconditional response to customers' wants and needs. At a high level, this is what the market-oriented theory maintains. However, in contrast to this, it is possible to see brand building as an interaction via symbols between the firm and its customers. This contains the spirit of the approach that I argue for based on my research material. The decisive difference is whether the brand identity represents a strategic platform for the firm or not. If a firm starts from its brands and regards them as strategic resources, it is an expression of an approach. In the individual firm, this approach can have far-reaching consequences for both marketing and strategy.

The Brand - An Unconditional Response to the Wants and Needs of Customers?

The product and its functional advantages receive far greater attention than brands in theory and practice. For a long time, the brand has been treated in an off-hand fashion as a part of the product. Although market and customer orientation have characterized marketing thinking since the 1960s, product-related questions have tended to dominate questions that deal with brands. One reason this is a problem is that functional advantages can generally be imitated. In the subject of marketing, criticism of a product focus has formed the basis of arguments that it is the satisfaction of customers' "wants and needs" that is the task of marketing and the goal of the firm:

> The marketing concept holds that the problem of all business in an age of abundance is to develop customer loyalties and satisfaction, and the key to this problem is to focus on the customer's needs (Kotler and Levy 1969, p.52).

The marketing concept (which is now often called the market concept) is a corner stone of the subject of marketing (Kohli and Jaworski 1990). Peter Drucker (1954) was one of the first to argue for the marketing concept as a basis for the competitive company. In the marketing literature, this concept is contrasted with market orientation, customer orientation, and the market-driven company (c.f. McKittrick 1957; Felton 1959; Kotler 1977; Day, Shocker, and Srivastava 1979; Webster 1992; Day 1994; Hunt and Morgan 1995). The key idea in the market concept is that of placing the customer in focus by the firm in its entirety adopting the ambition to satisfy the target market's wants and needs. Market orientation is achieved by integrating the market concept into the organization as a whole, according to Hunt and Morgan (1995). "Market intelligence" is a fundamental aspect of Hunt and Morgan's definition of market orientation (1995, p.6):

> Market orientation is the organizationwide generation of market intelligence pertaining to current and future customer needs, dissemination of the intelligence across departments, and organizationwide responsiveness to it.

Market orientation, as stated earlier, constitutes a mainly external focus on customers and competitors. For example, product development, segmentation, and positioning are assumed to take place with the primary goal of satisfying customers in competition with other companies. Brand questions are reduced to second-order issues or fall entirely outside of the discussion about the firm's strategy. The brand becomes in principle the unconditional response of the firm to the wants and needs of customers (Figure 2).

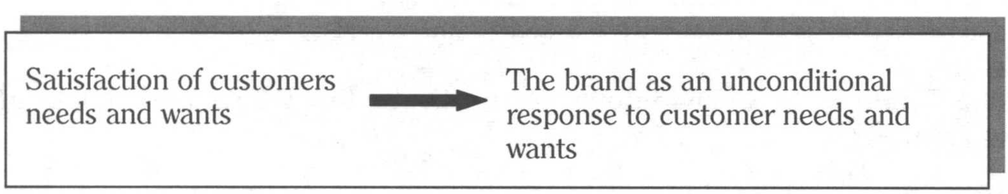

Figure 2. Customer Satisfaction as the Focus and Point of Departure of the Firm - The Logic of the Market-Oriented Approach.

Regarding the brand as an unconditional response to customers' wants and needs can bring with it a risk that its strategic value as an expression of the organization's identity and competitive advantage might be neglected. In the ambition to be market-oriented, there is a danger that the brand identity will be to an ever greater degree adapted and designed to purely satisfy customers.

However, what is demanded by customers at any given moment is not necessarily the same as that which will strengthen the brand as a strategic resource. Market orientation can therefore come into conflict with long-term brand development when achieving competitive advantage is the aim. The question is thus whether the customers and their changeable preferences provide sufficiently stable grounds for the brand as a resource. A person - like a brand - who allows himself to by steered by the opinions of others and who constantly adopts whatever position is most popular does not hold our credibility for long. Always being agreeable and avoiding hard decisions is not a basis for a strong identity - on the contrary. This form of opportunism is moreover often a sign of weak integrity.

In the subject of marketing, the debate about the sources of competitiveness is still in its infancy. Day (1994) and Hunt and Morgan (1995) are however among the marketing theoreticians who in recent times have become interested in this question. I see their contributions as especially interesting because they integrate the concept of market orientation with the resource-based perspective. The authors argue that market orientation is an organizational competency and can as such constitute a competitive advantage. Day (1994) argues that "market sensing" (the ability to continually sense, interpret, foresee, and react to changes in the market) and "customer linking" (the ability to develop relationships with customers) are two particularly important aspects of the development of a market-oriented organization.

The new foundation that Day (1994) and Hunt and Morgan (1995) have helped lay for market orientation - and thus for the role of marketing in firms - is still grounded on the unchanged assumption that the overall goal of the firm is to satisfy the wants and needs of customers. Although Day and Hunt and Morgan use the brand as an example of a resource, this is neither the starting point nor the focus of their discussion.

In the subject of strategy, successive waves of a debate have crested since the late-1980s regarding whether the source of the competitive advantage of the firm can be mainly found in its industry or within the firm itself. The firm perspective has gradually acquired ever greater power, partly at the expense of competitor orientation. The external orientation toward competitors, which in brief is built upon competitiveness and above-average profitability, is achieved through the firm's mastery of the conditions of its industry (Porter 1985). The brand is mainly discussed as a barrier to entry and as a means of differentiating products as pointed out by Melin (1997). Examples of central themes are: analysis and selection of industries, segmentation of markets, market positioning, and competitor analyses. The basic reasoning in the resource-based perspective is that use by the firm of resources and competencies leads to competitive advantages, rather than to victory over or avoidance of competition (Barney 1991). The resource-based perspective paints a picture of companies as combinations of unique and heterogeneous resources and competencies. Ideally, it is unique, valuable, and hard-to-imitate resources and competencies that form the basis of the firm's competitive advantage (Grant 1995). Within the resource-based perspective, there is particular interest in the goals and values, resources, competencies, systems, and structures of the firm. In my experience, this coincides to a large degree with the interest that a certain type of company dedicates to its brands. This speaks for the opportunities of developing further our understanding of the brand as a resource. The concept of market orientation is similarly relevant in the discussion that follows since it concerns the way in which organizations approach their customers and competitors, and their resources as well. The theoretical and practical need remains, however, to supplement the picture with the way in which brands are approached as strategic platforms and resources.

The Brand - The Basis of the Firm's Interaction with Customers?

Using the brand as the starting point is an expression of a mindset. This way of relating to brands employed by a company involves placing a specific resource at the heart of the strategic process. Activity is focused upon creating, developing, and protecting brands as strategic resources in order to achieve competitive advantages. Experiences from the case studies show that the brand, in combination with other assets and competencies within the company, can be braided together into a brand identity through a process of value creation and meaning creation. Ideally, this brand identity is experienced by customers as valuable and unique and becomes difficult for competitors to imitate. In this way, the brand can become a competitive advantage and an expression of an intention. This means that the company deliberately and actively strives to manage the processes that give the brand value and meaning. When the company's objective is to create competitive advantage in the form of brands, they can no longer become a response to customers' wants and needs. The brand becomes a symbol in an ongoing interaction between the company and its customers.

This type of approach to brands has consequences for how the company perceives, prioritizes, organizes, develops, and protects its resource base. It also affects the use and interpretation of market intelligence. In principle, this means that the brand is made superior to the wants and needs of customers. According to the dominant paradigm in marketing theory, this might seem an almost heretical thought. Mottoes like "the customer is always right" and "everything for the customer" are called into question. Of course, the wants and needs of customers are not ignored, but they are not allowed to unilaterally steer the development of the brand and determine its identity. This is a strategic question for firms that are characterized by motives for their brands beyond the satisfaction of customers' wants and needs. Prioritizing the brand in the organization gives it an integrity in relation to customers' wants and needs and to the actions of competitors, but also in internal strategic processes (Figure 3).

The brand as a resource and strategic platform → Satisfaction of customer needs and wants within the framework of the brand

Figure 3. The Brand as the Company's Strategic Platform - The Logic of the Brand-Oriented Approach.

Resource development is aimed at strengthening brand identity and accumulating brand equity in order to thereby satisfy customers' wants and needs. This takes place based on the firm's perception of what will develop the brand over the long run. The brand becomes an expression of the company's strategic intent.

Towards an Overarching Understanding of Brands within the organization

I consequently argue for the need for a deliberate approach to brands as strategic resources. The approach is seen as the overarching understanding of brands within the organization: What is a brand? What is the purpose of a brand? What are the objectives of a brand? What characterizes successful brands? How are brands prioritized? What role do brands play in relation to the firm's operations and strategy? The approach to brands influences action and thought within the organization concerning this type of resource. The *brand competence* is a reflection of the approach and is related to the organization's ability to create, develop, and protect brands. Working with brands is an ongoing process of the creation of value and meaning (c.f. Daudi 1996). Just as important as creating and developing brands is the ability to protect them - an area that is often neglected by many companies (Melin and Urde 1991). Brand protection can be accomplished through legal means, but also continually through marketing efforts and as a part of the strategic process. One type of protection is the prevention of imitation and duplication, and another is the care of the relationships that the brand represents. The approach and brand competence create the prerequisites for developing the brand into a competitive advantage (Figure 4).

Way of relating to brands

↓

Brand competence

↓

The brand as a resource and as a strategic competitve advantage

Figure 4. Overview of the Prerequisites of Brand Development

One of my foremost ambitions with this reasoning about brand orientation is to create an arena for brand discussions that possess strategic dimensions. In order to establish this arena, the focus will thus be shifted from an external view of products, customers, and markets, and be supplemented with a strategic resource perspective on brands.

A Brand-Oriented Company – A Conceptual Framework

A brand-oriented company generates value and meaning via its brands. The ability to transform products into brands with internal significance for the organization itself and for the target group constitutes the fundamental process in such companies. A product can be objectively described, explained, and analyzed while a brand with emotional and symbolic values is experienced and interpreted. A product can be compared and placed on a par with other corresponding products, while a brand with a personality and identity of its own provides a basis for a unique relationship. A product fulfils a function, while a brand symbolizes values and a meaning in a social context. In the analysis of a product, it is possible to speak of a factual reality, while in the interpretation of a brand, the experience is the reality. The reality of brands emerges when we behold a meaning in a brand.

To manage a brand-oriented company and the continual re-interpretation of physical products into symbols, an approach and a special competency are required. Experiences from the case companies show that a brand-oriented approach can manifest itself in various ways in an organization: being impassioned, seeing the brand as a mission and a vision, being able to integrate and combine the brand with the company's other resources and competencies, seeing the brand as continual learning, seeing the brand as an expression of one's own identity, and being able to see the brand's symbolic value in a large social context.

The passion for brands is a characteristic trait of a brand-oriented approach. This passion lends life and intensity to work with brands. Is it possible to create brand passion within an organization? I posed this question to Camillo Pagano, former head of marketing at Nestlé, and received the following reply:

> You create passion for brands first of all by example. It depends on the attitude of top management. If you are totally convinced, you become a missionary salesman, so to speak, within the company... When you visit your subsidiaries you keep checking on how they use, position, and advertise the brands. Not because you want to meddle in the affairs of the operating companies, but to show the importance top management gives to the brands. If you don't have it from the top, you will never have it. It's by everyday example, by showing that our brands are the biggest asset of the company. It's where you finally end up making the company grow, or not grow, is the value of the brands. And as you get new consumers all the time, by changing consumer groups, habits, and trends, you have to keep the brands

continuously refreshed. That's a job that takes a tremendous amount of attention and passion!

The experiences of the case companies show that it is necessary to broaden the perspective upon brands. For companies like Volvo, Nestlé, and Pharmacia Upjohn Nicorette, it is for instance no longer a question of single brands but rather of managing brand systems. A brand-oriented company can be summarily described with the help of a number of concepts and relationships. By integrating the discussions of brand equity and brand identity with the company's reasoning about direction, strategy, and identity, we obtain a conceptual framework (Figure 5).

Figure 5. The Brand Hexagon - A Conceptual Model of a Brand-Oriented Company and its Identity (Urde 1994, 1997).

The Brand Mission – The Point of Departure

The point of departure for a brand-oriented company is the brand mission that provides answers to the questions of: Why does the brand exist? What does the brand stand for? Who is the brand? How is the goal of the brand to be achieved? These are questions that relate to the reason for existence, core values, identity, personality, and strategy of the brand. The brand vision is in turn a projection of the brand out into the future. The questions that are answered are: What do we want to achieve with our brand, and how will the organization realize the vision?

Coding the Message of the Brand – Formulating a Brand Strategy

Based on the mission and vision, the organization's brands are "coded" (c.f. Alvesson and Berg 1992). Value and meaning are communicated via the products, product category, positioning and core values, brand, and the corporate name. These concepts are intimately linked to one another, and constitute together the basis for the brand strategy and brand identity. A brand strategy can rest on one brand or consist of combinations of brands and other distinguishing characteristics. For example, at Nestlé (the corporate brand), there is simultaneous use of mother brands (e.g., Findus), daughter brands (e.g. Lean Cuisine), and the Nestlé Seal of Guarantee (the "birds-in-the-nest" pictogram) in various combinations. In addition, the package design and figure marks are characteristics that make up part of the brand strategy. The identity of a particular brand is reflected by a holistic impression (de Chernatony and McDonald 1998, Melin 1997). The relationship to the target group is seldom based on one characteristic but rather on a number of characteristics in combination, which is emphasized by the model.

A company like Volvo implements a brand strategy with an overarching corporate brand. The company's divisions act with one and the same brand within different product categories, such as automobiles, buses, trucks, aircraft engines, and marine motors. To control the development of this brand, it is necessary to consider the product category(ies) in which the brand is used in order to see the whole picture. This is not least of interest in conjunction with brand extension, brand alliances, and licensing. At Volvo, for example, a brand management group has been created with the task of coordinating the communication of the various divisions. Consistency, Continuity, and Credibility are the watchwords that Leif Ahlberg, head of the brand management group at Volvo, uses to coordinate its work and strengthen and develop Volvo's core values.

Communicating the Brand – Functional and Emotional Values

The brand awareness of the target group concerns both its place within a category in general terms and the specific products that the company manufactures. The right side of the model (product category and product) mainly reflect the so-called reference function, while the so-called emotional function is reflected by the left side (the corporate name and brand). This is an important distinction because intellectually explaining and emotionally communicating are in principle two ways of communicating a message. When we interpret a brand, we use both our "brain" (i.e., reference function) and with our "heart" (i.e., emotional function). A brand is experienced in its entirety. Intellectually explaining a brand thus becomes just as fruitless as attempting to explain a work of art. How would we for instance explain all the dimensions of

Van Gogh's sunflowers or the Montblanc brand? The task of communication is not to explain a brand as a number of objective relationships; however, it is certainly necessary to explain the products that the brand represents. The identity of the brand neither can nor must be explained, since it is experienced emotionally and symbolically. Insight into the limitations of the intellect in understanding, and into the limitations of the emotions in explaining, is fundamental when a company communicates about its brands.

The lower part of the model (mission and vision) relates to the organization's intentions for its brands, while the upper part is the target group's interpretation of the brands. The dynamics of brand development create a continual re-interpretation process through symbolic interaction. The core values and positioning are at the centre of this process of meaning creation, and thus form the middle of the model.

Awareness, Associations and Loyalty – Reflections of Brand Strength

Awareness, associations, and loyalty make up the fundamental inner relationships in the model. Awareness is the first step in a brand-building process and an important dimension of brand equity (c.f. Farquhar 1989; Aaker 1991, 1996; Keller 1993, 1998). Through various associations, the brand is differentiated, creating attitudes and feelings, To develop a strong brand, the ambition must in principle be to lead the category in some regard. The communication of the brand identity and core values creates a relationship to the target group that can be described in terms of for example loyalty and commitment, partnership and friendship (c.f. Fournier 1996).

The Core Values – Centre of Gravity

The midpoint of a branded product and a branded company is occupied by the core value and the positioning. It is via positioning that the company expresses and interprets the core values. Positioning takes place in relation to the competitors and asserts for example certain attributes or benefits that belong to the brand's identity. This can be achieved using metaphors, for instance, that more or less explicitly communicate the core values. Pharmacia Upjohn used the linguistic picture of "Nicorette - a helping hand" to communicate its products for quitting smoking. This was a way of giving expression to the core values that related to an understanding of how difficult it can be to stop smoking. In principle, positioning has three dimensions: quality, personality, and communication. Quality relates mainly to the product. Since the price is often felt to reflect the quality, it can be included in this dimension of positioning. The personality is, put simply, the human traits that are associated with the brand. These personality traits provide the brand with an emotional side that positions it in relation to other brands. Positioning also takes place through communication. The way of communicating, the choice of media, the tone, the style, and the argument are as such expressions of positioning (Kapferer 1997). The combination of quality, personality, and communication makes it possible to position the brand clearly.

With awareness of the category and the product, brand associations, and brand awareness, the conditions exist for a relationship between target customers and a brand. The significance of the brand is reflected by the core values and positioning. The relationship between the target group and the brand is, as should be clear from my reasoning, ultimately a question of identity. A brand-oriented company can be seen as an associative network that is communicated to the target group. This takes place not through one-way communication but rather through interaction with the target group. The organization and the target group are co-creators in the process: "Decoding is as active as coding" (Fiske 1990, p.42).

Brand Identity – Understanding the Inner Values

The brand identity constitutes a collective picture or form and answers the question "Who is the brand?" The concept of identity is central to a brand-oriented organization and provides an understanding of the lasting inner values. In this type of organization, it consequently becomes necessary to constantly reflect upon the symbols that are being created and given meaning.

The interpretation of the brands is decisive for their meaning. This meaning does not arise in a vacuum but instead in a social context (Solomon 1983). If we all lived alone on islands scattered around the ocean, then brands would no longer have an any significance. A Montblanc pen would for instance turn back into merely a pen with a function, that is, an instrument to write with. The symbolic values that many of us ascribe to pens of the Montblanc brand would lose their relevance because we castaways would no longer be part of a social context.

People communicate with the help of symbols such as brands, and thus create a feeling for our social surroundings. Brands also become in this way a part of our self-images and identity. This is the case when we act as consumers and for example choose a brand of automobile, but it is also relevant to the highest degree when we work professionally within an organization that communicates with the assistance of brands. The brands we select as consumers can be used to express something about ourselves and our roles. In a similar way, it is necessary for us within our organizations to realize that brands are an expression of a common identity. The discussion about brand identity consequently is related to the identity of both customers and the organization.

The pursuit of a brand identity bears many similarities with how we as individuals are confronted with existential questions. In psychology, for example, the self and the basis of the self are placed in relation to identity and the comprehension of reality. It then becomes in principle possible to distinguish six questions that we more or less consciously pose to ourselves in order to answer the overall question of "Who am I?". According to Higgins (1987), there are three forms of the self: the true self, the ideal self, and the normative self. The true self is our representation of the attributes that someone (we ourselves or another) believe that we actually have. The ideal self is our representation of the attributes that someone (we ourselves or another) would want us to ideally have. Finally, the normative self is our representation of the attributes that someone (we ourselves or another) feel we ought to have. According to Higgins, there are two fundamental bases for the "self" - the private self and the social self (Figure 6):

		The self		
		The true self	*The ideal self*	*The normative self*
The basis of the self	*The private self*	How I conceive of myself	How I would like to be	How I believe I ought to be
	The social self	How I believe others conceive of me	How I believe others would like me to be	How I believe others feel I ought to be

Figure 6. Identity - Six Questions for the Organization to Answer in Order to Get to Know and Understand its Brands.

When an organization tries to define its brand's identity, the social self corresponds in principle to the image, that is, "Who do others believe that I (the brand) am?" This question can be answered for instance through market and customer studies, which provide an understanding of what we can call the *external brand identity*. I relate the private self of the brand in contrast to what we can consequently call the *internal brand identity*. This is in principle the organization's conception of and approach to the brand. It is only when both the internal and external brand identities are seen in a context that it becomes possible to obtain a deeper, holistic picture of who the brand is. The starting point for a process of brand building is to first create a clear understanding of the internal brand identity. The brand then becomes a strategic platform that provides the framework for the satisfaction of customers' wants and needs.

If the image - i.e., the picture of the brand held by customers and the surrounding world - is allowed to rule, there is an obvious risk that the brand might never acquire its own identity. It is reduced to a mirror image that changes as markets, fashions, and trends shift. The brand becomes a mere surface that can hardly serve as an expression of an identity - either for the organization's members or its customers. The question is moreover whether we can speak of strategies for a brand at all if their content and meaning are dependent upon what temporarily appears to be the optimal positioning.

From Market Orientation to Brand Orientation - Implications for Management and Theory

The marketing concept has been a paradox in the field of management. For over 40 years managers have been exhorted to "stay close to the customer",

> "put the customer at the top of the organizational chart", and define the purpose of a business as the creation and retention of satisfied customers ... Throughout much of its history, however, *the marketing concept has been more an article of faith than a practical basis to manage a business* (Day, 1994, p.37. My italics).

Placing the customer in the centre has become something of a mantra for many theorists and practitioners. For the case companies in my study, market orientation constitutes instead a requirement of competition, i.e., a necessity for simply being able to exist in the marketplace. Nestlé, Pharmacia and Upjohn Nicorette, DuPont, and Tetra Pak are examples of companies with an orientation that cannot be subsumed under the label of market orientation. The wants and needs of customers are no longer perceived to be the only natural basis for the marketing - or, more precisely, brand development - of the company.

In a brand-oriented organization, the objective is - within the framework of the brand - to create value and meaning. The brand is a strategic platform for interplay with the target group and thus is not limited to being an unconditional response to what at any moment is demanded by customers. The management strives to develop and protect that brand as a strategic resource by acting within the degrees of freedom that the brand identity provides space for. The mission and the vision indicate an overall direction for the *core-value-based* development of the brand. The core values provide structure for the processes of the brand-oriented company:

> The core values are definitely the point of departure for the development of brands. The core values we have are in principle a synopsis of our experiences and our history. The core values also look to the future. When we listen to the consumers, we ask ourselves the question based on the core values: What can we and what can we not do? We also ask ourselves the question: What more can we do with our brand? The core values without a doubt drive the development. All interaction with the consumers via the product, via the packaging, via design, via promotion, via advertising - everything we do must promote the core values. We work with the core values the whole time and they must be sufficiently discriminating in order to really work. If they are too general, they become more the values of the category that do not develop the brand. (Olle Tegstam, senior vice president at Nestlé).

The choice of the brand as a platform is a decisive difference between market orientation and brand orientation. Many problems related to brands within the case companies were based to a large extent on the fact that questions of identity were not given sufficient attention. The image - i.e., the company's interpretation of the market's picture of its brands - has gotten the upper hand over the brands' identities. In managing a brand-oriented company, it is necessary to first formulate an internal brand identity. The will to actively communicate value and meaning through brands as symbols characterizes this type of company. This assumes that the company has the ability to broaden and deepen the internal discussion about the branded product and not only focus upon questions concerning products, technology, markets, customers, and competitors. There is a tendency for strategic reasoning to lapse back into what are felt to be more concrete aspects, at the expense of brand issues. Given that humans throughout the ages have created and communicated using symbols, this is somewhat baffling. The attitude is nonetheless deeply rooted that emotional values and symbolic meaning are of a secondary significance - less real - compared to the demonstrable functional benefits of a product. This is an especially serious problem since it is precisely those soft values that form the basis of many successful brands.

The experiences of the case companies further emphasize the importance of a corporate management with the ability to vitalize a mission and a vision for its brands. Brand orientation broadens the perspective on the operations, highlighting the strategic goals directly related to the brand. One advantage of a strategy being expressed in terms of brands is that it is perceived as alive and more stimulating to work with than, for example, an abstract level of return. This infuses a will, ambition, and personality in the brand, which thereby also acquires an integrity within the organization. Many of the problems that undermine brands come from within organizations. The company cases suggest that, for example, incoherent communication, unclear core values, an exaggerated focus upon positioning, and unclear allocation of responsibility and authority with respect to brands break down value and meaning. What I have chosen to call *brand integrity* is important for maintaining continuity in the development of a brand and giving it a voice. The brand receives its integrity within the organization through engagement in and in certain cases passion for the brand identity.

Managing a brand-oriented company requires a certain approach and brand competence. By focusing on brands, the management combines and develops the resource base in order to underpin the strategic brands, and vice-versa. At Nestlé, for example, corporate management is in principle synonymous with brand development.

> It's very clear what makes a "brand oriented" company work: It's senior management dedication to brands and the attention right to the very top, which is: time, interest, and attention. We have long-term plan meetings and our markets come in and present their situation to the senior management. Just as likely, we can spend the time talking about brands, rather than having any financial discussion. It's the senior management's dedication to brands - we see ourselves as gardeners looking after our brands. Fertilizing them and making them grow. Nestlé as a company has two strengths: Our people and our brands. And if we do not have that, we do not have anything. (Graham Lute, head of communications at Nestlé)

The protection of the prioritized brands is an integrated part of operations within this type of company. A brand-oriented organization's various processes protect or "insolate" the investments in brands with the aim of among other things making imitation difficult. The valuable and unique aspects of the brand identity are strategically interesting only if it is also possible to keep the competitors at bay.

Brands are still virgin territory for many companies and have for too long been neglected strategic assets. When brands are brought into focus, a route is opened toward intangibly based competition using brands as strategic resources. For organizations that have lived in the belief that they produced and distributed products, with brands only equal to names or labels, brand orientation might likely lead to a new conception of reality. It is no longer only a question of innovative products, clear positioning, and attractive image, but also of identity, integrity, core values, and mission. The organization's values, attitudes, visions and general approach to brands make a difference - a world of difference. Learning to see intangible values and symbols as resources is a necessary step in brand orientation. We must accept the notion that a company's foremost assets can consist of something other than iron, bricks, and mortar.

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