BUILDING CORPORATE BRAND HERITAGE:
TOWARDS AN OPERATIONALISATION OF THE CONCEPT

ABSTRACT

The importance of heritage to a brand's worth has increasingly been noted by marketing scholars. Thus, the ability to understand and measure corporate brand heritage is essential. A number of studies have been conducted related to this concept, but no previous research has suggested a means of operationalizing it. Based on the existing literature, as well as insights from brand managers, this paper outlines an initial framework for the operationalization of corporate brand heritage. The conceptualization presented here – comprising four components: history, core values, symbols and vision – will further our understanding of brand heritage, and thereby enhance future empirical investigations on the topic.

INTRODUCTION

Intangible assets account for an increasing share of corporate value (McDonald and Mouncey, 2009). Heritage belongs to a brand's intangibles; it can differentiate brands and therefore be a source of tangible wealth (Kalaignaman and Bahadir, 2013). Urde et al. (2007) suggest that corporate brands with a heritage-based value proposal can be considered as a corporate heritage brand category in its own right, with its own set of criteria and management approaches. While a number of studies have been conducted related to the concept of brand heritage, to our knowledge, no previous research has suggested a means of operationalizing *corporate* brand heritage. Based on the existing literature, as well as insights from brand managers (via an on-line survey), this paper outlines an initial framework for the conceptualization and operationalization of corporate brand heritage.

Corporate brand heritage may play a particularly important role during periods of turmoil. Europe is in the midst of economic, political and humanitarian upheaval. Since 2009, the Eurozone has experienced a debt crisis from which it has not fully recovered. Unemployment in some Euro countries has reached critical levels. The Euro stands at a 12 year low in value against the U.S. dollar (Stubbington and Cox, 2015). Tens of thousands of migrants fleeing war and poverty are making their way to Europe. The unprecedented exodus of migrants from Syria and other nations experiencing unrest have inundated Europe, exhausting countries suffering their own economic woes. In turbulent times, consumers become less confident about the future. This increases interest in brands with a heritage (De Chernatony, 2007; Brown et al., 2003). Seeking comfort in the past appears to be a growing trend – not only among the aging baby boomers but across generations (Balmer, 2013). Brands representing stability, familiarity and trust can speak to people in periods of uncertainty, helping to create an image of affinity, authenticity and integrity. Ballantyne et al. (2006) note in difficult times, brand heritage offers a basis for stabilisation and growth. Aaker (2004) recommends 'going back to the roots' for companies that are struggling. Hatch and Schultz (2003) suggest product brands live in the present, while corporate brands live in the past, present and future, and can stimulate long term associations; a corporate brand and especially its heritage can impart value to customers and other stakeholders across generations (Balmer, 2013).

CORPORATE BRAND HERITAGE

A corporate brand is the face of the organisation, while heritage is the core or soul (Balmer and Gray, 2003). Aaker (2004) urges companies to trace their origins and identify what has made them successful in the first place. He considers heritage as an important value driver, especially

for corporate brands. Graham et al. (2000) note heritage is that part of the past which is selected in the present for contemporary purposes. By examining their past, companies may discover their future (Urde et al., 2007). Numerous Euro brands rely on the concept of brand heritage: French brands such as Louis Vuitton and Patek Philippe; British brands such as Burberry and Fortum & Mason; Finnish brands such as Fiskars and Fazer; and German brands such as Nivea and Steiff. Urde et al. (2007) examined heritage as a part of corporate brand identity and addressed how to nurture and protect it. Introducing a so called heritage quotient (HQ), the authors believe that brand heritage can be recognised by the presence of the following characteristics: a track record, longevity, core values, history, and the use of symbols. Finding the HQ elements and enabling the past and present to strengthen the future can be a path to unlocking its heritage value for the company. However, their model does not explicate how to *measure* brand heritage as such. Banerjee (2008) describes history, image, expectancy and equity as the four pillars of a brand's heritage. History represents its rich eventful past, and the image "an after effect of brand communication and positioning, based on the benefits to be enjoyed by consumers". Brand expectancy refers to the physical and emotional benefits that consumers receive from the brand. Equity comprises two subsets: a homogeneous and a heterogeneous set of competences that, respectively, facilitate progression and give an edge over the competition.

TOWARDS AN OPERATIONALIZATION OF CORPORATE BRAND HERITAGE

One of the challenges in operationalisation is to keep the focus on the *corporate* level. While studies have investigated brand heritage and heritage brands, they have not provided an instrument specifically designed to measure corporate brand heritage. However, several studies have taken steps in this direction. Wiedmann et al. (2011) examined the drivers and outcomes of brand heritage based on a PLS-PM approach, identifying effects of perceived brand heritage on three levels of brand strength: cognitive, affective and conative. The goal of their study was to examine the importance of brand heritage to consumer brand image. The authors generated a measurement instrument for brand heritage, based on formative indicators (from continuity to prestige, 15 indicators in total) and guidelines for index construction. Their study provides valuable insight in quantifiable effects of heritage-brand value in consumers' minds but fails to offer an operationalisation of corporate brand heritage *per se*, particularly from the company perspective. Hakala et al. (2011) attempted to measure brand heritage, viewing it as a composite of the history, and the consistency and continuity of a company's core values, product brands and use of symbols, and proposed a measurement mechanism. Their operationalisation did not look specifically at corporate brand heritage. Hakala et al. (2015) made an initial attempt at operationalising *place* heritage (related to cities and countries). If we accept the premise that places can also be regarded as corporate-level brands (see e.g. Balmer and Gray, 2003), we can adapt this framework as the basis for a more general attempt at operationalising corporate brand heritage. Hakala et al. (2015), posit that place heritage comprises four components: place history, place essence, place symbols and residential permanence. To assess the place-heritage value of each municipality under study they standardized the original values of the four components. The final value of place heritage was the sum of the four standardized component values.

CORPORATE BRAND HERITAGE FRAMEWORK

The place-heritage framework can be adapted to conform to corporations. First, the concept of time is central in heritage (Graham et al., 2000) and *history* is included in the concept. History is a function of heritage which clearly offers an authentic opportunity for differentiation (Lehmann et al., 2008). All companies have a history of their own, and that history has a strong effect on the identity of both the company and its people (cf. Urde et al., 2007). History can

represent depth of experience and a sense of permanence, and as such may be an important element in image creation (Fill, 2009), as well as in maintaining brand loyalty (Dahlen et al., 2010). It also matters in terms of identity: employees know who and what they are, as well as where they come from, and where they are heading (Davis, 2010).

Second, consistency in a company's operations and marketing communications enhance its brand heritage. They concern the company's *core values*, and in this context help to define the corporate strategy, and thus become part of the brand heritage (Urde et al., 2007). Brown et al. (2003) mention brand essence or 'aura': the core values are the essential guiding principles which indicate the corporate strategy and for which the brand stands. They are the glue that holds the company together (Hulberg, 2006). They should not change with current trends, or even with changing conditions in the market, and should not be confused with financial or short-term aims (Hulberg, 2006; Collins & Porras, 1996) but rather should be part of a realistic future identity (Urde, 2003). The core values may vary in number as well as their internal and external strength; according to Urde (2009, 616), 'a corporate brand cannot be stronger externally than it is internally'. The internal values should resonate with the values perceived and appreciated by the customers over time, and vice versa. The support of the whole organisation is necessary in linking core values and the brand tightly together in order to assure uniform delivery to all stakeholders; everything that an organisation says and does communicates (Hulberg, 2006). It is the corporate culture that leverages heritage and protects it (Urde et al., 2007). A rare and imperfectly imitable corporate culture may contribute to a lasting competitive advantage and superior financial performance (Barney, 1986). If changes are needed in an organization, they should be on a behavioural level, not on an organisational culture level. Changing culture is not going to produce them since culture is persistent (Drucker, 1991). And changing behaviour works only if it can be based on the existing culture. Speak (1996) stresses the alignment of the values of the corporate brand and culture. The question related to core values and culture is: how deeply are core values rooted in the organisational culture? In the context of marketing communications, consistency implies a 'one voice' approach, integrating the company's strategy and creative actions over the long term. Adding to this certain timelessness is an element of responsibility, which means respecting what has gone before, yet allowing for change and improvement. Each generation brings something new to the brand, but without the previous knowledge and tradition, branding would have to start all over again (Urde et al., 2007; also Percy & Elliott, 2009).

The third component in the conceptualization is *symbols*, and consistency in their use over time. Symbols that reflect heritage can be anything that represents the brand, including names, logos, shapes, and colours (Urde et al., 2007). Names are central, distinct, and enduring attributes which constitute an organization's essential character. The longer the history behind a name, the more meaningful it is from the heritage point of view. Symbols also appear in the form of taglines, such as "Drink Coca-Cola", or as metaphors, gestures, musical notes, packages and even events (Aaker and Joachimsthaler, 2000). Successful brands develop a visual identity and a marketing-communication process that persists and is distinctive (Borja De Mozota, 2003). A colour, for example, can become so consistently linked with a specific brand and its heritage that it acquires a secondary meaning; accordingly, companies are increasingly registering colours as trademarks (Hoek and Gendall, 2010).

Finally, in addition to its temporal perspective in the past and present, heritage is also meaningful to the future (e.g. Balmer, 2013). Having a well-conceived *vision* provides an organisation with a framework for decision making (Finucan, 2002). Consequently, the concept of vision is included in the operationalisation. Vision emphasizes the future goals to be achieved

that are in accordance with the past and present values (De Chernatony, 2007). Vision can stretch the company toward new levels of achievement but at the same time it must connect authentically with the corporate heritage (Hatch and Schultz, 2003). It is the vision that gives the heritage concept its future orientation. Corporate vision should respect the corporate past and present reality and values. From the operationalisation point of view, vision is difficult to measure. It calls for delving into the core values and culture of an organisation and comparing them to the envisioned future. Figure 1 summarizes the suggested elements of corporate brand heritage. Corporate culture carries the history and makes it concrete in the core values. Respect for the values supported by the corporate culture enhances coherence and preserves authenticity (Hatch and Schultz, 2003). The core values are then further visually embedded in the symbols (name; logo; tagline; colour; font) and reflected in the communications (Urde, 2003). Finally, it is the vision that transcends the corporate brand heritage in the future.

In an attempt to garner feedback on the elements from brand managers, an on-line survey was conducted and responses were received from representatives of a variety of Finnish companies: advertising agencies, law firms, accounting companies, manufacturing SME's and a sports institution. Most respondents agreed with our suggested past, present, future (PPF) framework. In particular, history was considered important: *"The long history has a great impact on what our company is today."* (CEO, accounting company) *"The longer the history of a company, the more trustworthy it is considered among stakeholders. Years of operation can be regarded as the heritage value per se."* (CEO, manufacturing company) People, i.e. employees were considered to have an important role in the creation of the heritage: *"In our field* [law], *the employees during the 20 years of operation as well the important cases create the history."* (Lawyer, law firm) Overall, eminent individuals may have an impact on the heritage, as noted by one respondent: *"Individual people can have an emphasized role in the heritage, Steve Jobs and Bill Gates as examples; photographs of the founders and other key people can highlight their importance in the history and heritage."* (Planner, sports institution). Family-business representatives made an interesting point regarding the time perspective: *"Family businesses look at doing business from a longer perspective. In a way, we can even say that it's generation-based (25 years and then the next generation grabs the rudder),"* (Chairman of board, manufacturing company; CEO, accounting company) One of the respondents, representing a manufacturing SME, found difference in corporate brand heritage value in different markets: *"For an SME, the heritage value is greater in the domestic market than abroad."* As to the overall role of corporate brand heritage, the following comments were shared: *"Strong heritage value builds confidence in the future, when the new is built on the past. In a way, it is a continuum where the story continues,"* (Planner, sports institution); *"Corporate brand heritage value is important when recruiting new employees,"* (Lawyer, law firm); and *"Referring to long roots and strong corporate brand heritage adds value in negotiations with customers,"* (CEO, Accounting company). However, heritage and long history can also be considered as constraints *"... when changes in the customers' needs requires changes in our operations. [...] Doing things as we've always done can be a burden,"* (CEO, Accounting company). Staying too stuck on heritage and not keeping pace with technological developments can become a future hindrance: *"A printing company, which has been famous for its printing quality, may get caught in its heritage trap if it doesn't follow the digital evolution,"* (Manager, Advertising agency). Furthermore, *"[...] digitalization brings about new businesses and flagship companies (such as Facebook, Airbnb, Uber) that don't have a long history nor heritage. Will these companies have time to create brand heritage? Could 'established' companies use their strong roots and heritage as a competitive advantage against new arrivals?"* (Planner, sports institution).

MEASUREMENT

Measurement of the above elements requires information from various sources (see Yin, 1994), i.e. data triangulation: comparing insights from one data source with insights from other sources. Valuable longitudinal data is accessible via archival research, which uses administrative records and company internal documents as well as customer surveys and advertising as the principal source of data; such research usually concentrates on past events. (Saunders and Lewis, 2012; Belk et al. 2013) However, its use should not be limited to research into historical topics. Archival data can be used to add empirical depth, to generate developmental explanations, as well as to challenge existing theories and build new ones. (Layder, 1993) Constructing the meaning of the archive documents is a hermeneutical process involving a dialogue between the researcher and the source material. It should be noted that documents are not neutral records of events (Welch, 2000). Pettigrew (1985) recommends combining archival research with interview and observational data. For the purposes of operationalisation, obtaining primary data via face-to-face interviews with current and previous employees at various levels, as well as among board members, can produce invaluable data about the company's past, present and future. However, as human memory can be faulty, there may be discrepancies between what people recall and what the archival records show (Belk et al. 2013). Market research conducted by companies produces valuable data on customer insights (awareness, recognition, recall) which can be used in assessing the strength of the corporate brand. Each method and data source has the potential to compensate for the limitations of the other, as the collection of heritage data refers to different points in time (Welch, 2000). Figure 2 suggests how each element of corporate brand heritage could be valued. History is the most straightforward to measure: the years of operation of a corporation. Core values may be measured according to their age and trajectory, a rule which also applies to symbols. A good indicator of the external strength of corporate brand heritage is obtained via customer surveys (level of corporate-brand awareness, recall and recognition). The fourth element, vision, is the most challenging. Continuity and consistency with core values and visual symbols as well as openness to renew the brand can be assessed by comparing and giving them values based on their heritage loyalty. A corporate heritage brand may be renewed, for instance, by brand extensions, package design, innovative distribution channels and use of new media channels.

CONCLUSION

Marketers need to develop a better understanding of how brand value is created, and therefore, the ability to measure intangible assets is essential. Corporate brand management and heritage brands require a specific management approach. Knowing the firm's heritage can guide brand managers in making choices that lead to market retention and growth. Successful corporate brand management calls for the identification of the mix of variables that comprise the corporate brand (Balmer and Gray, 2003). Despite acknowledgement of the role of heritage to a brand's worth and equity (Balmer, 2011), the academic research, to date, has lacked operationalisation of the concept of corporate brand heritage. In order to compete successfully in today's market, corporations require a means of assessing the strength of their brand's heritage. Such assessment calls for objective operationalisation of the concept, which was the purpose of this paper. The operationalisation framework and the four elements presented above can serve to guide managers in assessing the value of their company's corporate brand heritage. More research is needed to gain insights into this concept and its components, as well as to their empirical, quantitative measurement. The above suggested measures could be developed by interviewing knowledgeable parties, and conducting focus group discussions and pilot tests, thereby contributing to the reliability and validity of further studies (Tasci et al., 2007).

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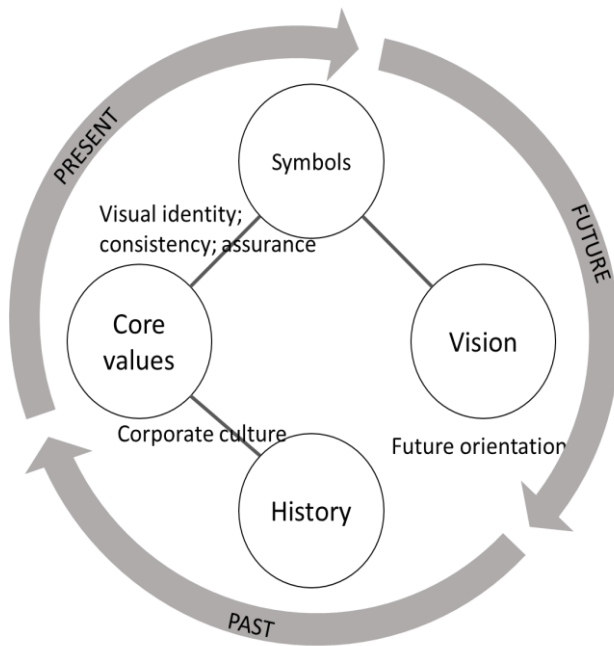Yin, R.K. (1994). Case study research: design and methods, Beverly Hills: Sage.

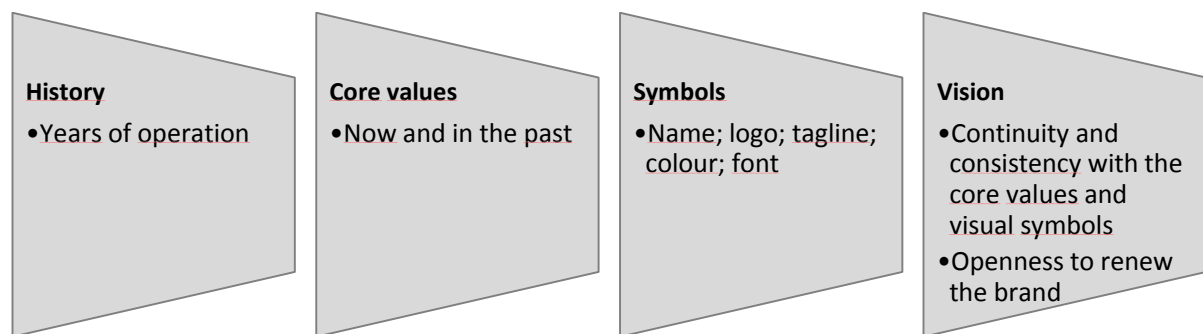Figure 1. Elements of corporate brand heritage for operationalisation (PPF framework)

Figure 2. The proposed elements for the operationalisation of corporate brand heritage.