

## **A Participative approach to Brand Building**

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The argument of this paper is a simple one: creating value for customers is an organisation-wide responsibility. This is a step removed from most approaches to the subject, which see marketing as an instrumental function and give emphasis to marketing as the primary, if not the sole, driver in building a brand. In this line of thinking, marketing is what marketers do to customers when they take what the company produces and re-present it. Yet marketing is not a department but a process by which the organisation connects with the world around it. Also marketing theory and practice should not only be concerned with the external and marketing communications but also with the difficult internal reality of aligning the different parts of the organisation.

When marketing only has limited organisational influence - when it is disconnected from other activities within the organisation - the challenge of delivering a coherent offer is that much harder. Functional areas push in different directions and the appearance, functionality and presentation of the products begins to lack clarity. Alternatively if marketing is connected with the rest of the organisation; indeed if the whole organisation is involved in delivering the brand coherence is much easier to attain. If this sounds theoretical, this scenario applies to an actual case: the launch of Apple Computer's strategy based around the metaphor of a 'digital hub for a digital lifestyle'. This metaphor, announced by Steve Jobs at Macworld 2001 in San Francisco, expressed a new vision for the brand and encompassed several new Apple products: new computers and integrated hardware for recording CDs and DVDs, iTunes and iMovie. Soon afterwards the metaphor heralded the launch of the iPod, Apple's expansion into audio products and services and the introduction of Apple's own retail stores. At the time, Fortune magazine (12 November 2001) was moved to compare Apple's success

with Intel's problems: 'Why in the world would Apple want to jump from the frying pan of the virtually profitless PC industry into the roaring fire of the hypercompetitive consumer electronics business? After all, just a few days before Apple's splashy introduction of the iPod, Intel announced that it would close down its own disappointing consumer electronics division, which made, among other things, portable MP3 players, digital still cameras, kiddie videocameras, and a much ballyhooed digital microscope. For starters, the iPod fits right into Jobs' so-called Digital Hub strategy for the Macintosh.' The vision encapsulated in the strategic metaphor was not only was a driver for internal cohesion so that the organization could focus on those areas that best delivered the idea but it also became a widely used phrase by the media, such that each new service and product innovation launched by Apple was integrated into the metaphor. The whole process thus became a self-reinforcing circular movement that has enabled Apple to be consistently interesting and interestingly consistent.

One of the developments within marketing thinking that has tried to deal with the problem of marketing's overtly external emphasis which too often leads to disconnected thinking, has been the emergence of the concept of 'market orientation'. This approach extends the role of marketing by suggesting its role should be not only to sense movement in the environment but also to shape the organisational response by connecting with other business functions and departments. This indicates the role of marketers: to face simultaneously inwards and outwards and connect the organisation and its audiences.

### The Principles of Market Orientation

Although the underlying ideas of market orientation have been around since the 1960s, it was two pairs of writers in 1990, who began to define and refine the concept: Narver and Slater and Kohli and Jaworski. Rather than simply focusing on the point of interaction with customers, they turned inward to explore how organisations could use customer knowledge to build organisation-wide responses. Kohli and Jaworski saw the concept as referring to 'the

organisation-wide generation of market intelligence, dissemination of the intelligence across departments, and organisation wide responsiveness to it.' Narver and Slater (1990) featured some similar elements, seeing market orientation as: (1) Customer orientation; (2) Competitor orientation; and (3) Interfunctional coordination. However, Narver and Slater's emphasis is on market orientation as organisational culture.

The virtue of market orientation is that it stresses the importance of connecting the organisation together to deliver value to customers. It seeks to overcome the problem of siloisation that is prevalent in organisations. Jaworski and Kohli in a 1993 paper addressed three specific questions: (1) Why are some organizations more market-oriented than others? (2) What effect does a market orientation have on employees and business performance? (3) Does the linkage between a market orientation and business performance depend on the environmental context? Based on two national samples the researchers came to the conclusion that market orientation is related to top management emphasis, the risk aversion of top managers, interdepartmental conflict and connectedness, centralization and the reward system orientation. Moreover, a market orientation is related to overall business performance (but not market share), employees' organizational commitment, and esprit de corps. And even more important, the connection between market orientation and performance appears to be consistent across environmental contexts that suffer from varying degrees of market turbulence, competitive intensity, and technological change. We might conclude from this that there are no environmental reasons to prevent market orientation and plenty of benefits. Yet there is one area of market orientation that has been underplayed: implementation. A market oriented culture is not only about interfunctional coordination or the type of organisational factors that enhance or impede the implementation of the business philosophy. Rather market orientation is a consequence (although it in turn reinforces) of a supportive organisational culture, HR and leadership. To develop this line of thinking we

have developed the concept of participatory market orientation: a fusion of internal and external market orientations with an emphasis on realising the potential of market orientation.

#### Participatory Market Orientation (PMO)

A participatory market oriented philosophy aims to help the organisation to become more participatory, such that it involves both its employees and customers actively in the process of brand development. This belief in the value of participation should steer the way investments are made in both internal and marketing activities and recognises their connectivity. It suggests as a principle that rather than an over-reliance on traditional marketing communications to build a brand that funds are allocated to become entrained (synchronised) with customers and to integrate a relevant organisational response encompassing communications and actions. An example of this entrainment process at work is the Grathak Katha (consumer's voice) events held by the Bangladeshi mobile operator, GrameenPhone. Grameenphone is the leading mobile telecom company in Bangladesh with a 48% share of the market and 16.5 million customers (2007). This is a high growth market, but to take account of low incomes, GrameenPhone's business model is designed to work with customers whose average spend on mobile telephony is \$2 per month. To better understand its customers and develop innovative ways of selling its services, the company conducts regular market research studies into the performance of its brand and particularly the delivery of customer service. However, in addition to this research, GrameenPhone has initiated a process for removing the distance between the company and its customers. This participative approach involves regular meetings between employees and customers in an environment that is both social and businesslike. The idea is to obtain direct interaction with customers both as a way of enhancing the reputation of the brand and as a means of learning about and learning with customers. At the event itself, GrameenPhone matches the attendees one to one with employees so that there is the opportunity for personal dialogue. On these occasions research is conducted and results presented, new products are

discussed and customers provide ideas on new opportunities. The idea is to mix the formal and the informal and such has been the momentum behind the process that music performances at the events are by groups that combine employees and customers playing together. GrameenPhone has discovered that the quality of the feedback is high and the comments are genuine. Customers are not concerned with trying to either attack or please GrameenPhone, they just try to offer input and to relate their experiences. In one year the company conducted more than 300 events with over 200,000 participants. The key to maintaining the interest in the process both within GrameenPhone and externally with customers is the rapid processing of information, the actions taken as a result of input and the feedback provided. Marketing Director, Rubaba Dowla Matin, argues that the success is due to the organisational capability to validate, categorise, analyse the data and to involve the relevant teams in the organisation. It is these cross functional customer management teams play the vital role in determining the nature of the insight and generating action and communication. This investment into deep and direct insight and the willingness to encourage organisation-wide participation have been the catalysts behind the success of the initiative and the company's burgeoning reputation as an innovator.

Overall, when such external/internal investments as that made by GrameenPhone are managed effectively it increases its brand equity, which in turn enhances brand value. This final linkage is based on the premise that enhanced awareness and customer loyalty to the brand is the best indicator of the security of future cash flows. This way of thinking goes beyond market orientation because of its explicit link with brand value and because of the emphasis on engaging audiences to ensure that a market orientation leads to effective action. Marketing's role then shifts subtly in this scenario. When the overall organisational goal is to enhance customer value there is a requirement for an organisation-wide commitment to customers and a supportive culture, style of leadership, governance and

human resources policies. Partly marketing must have an internal market orientation to help achieve this organisation-wide perspective and partly it must be a key element in building bonds with customers and sharing knowledge about them inside the organisation; externally sense-making and internally sense-sharing. This internal/external approach builds the brand. The value of this twin perspective is endorsed by a study of Sweden's 500 largest companies<sup>1</sup> (2005) that shows organisations with the highest brand orientation index (BOI), where branding is the hub of operations are characterised by an ability to combine both an internal and external focus. Interestingly, the profile of high brand orientation companies is found in roughly the same frequency among business to business and business to consumer companies (50/50) and goods to services (57/43). This study reinforces the link between brand orientation and profitability, by demonstrating the correlation between the two with the group of leaders in terms of orientation showing operating profits almost double the lowest brand orientation group: 'the most important outcome of this study is that we have been able to establish a clear link between brand orientation and profitability: the more brand-oriented a company is, the more profitable it is.' In spite of the BOI research, most operationalisations of marketing ideas are developed around products and external markets. Yet it should be clear that a focus on human capital and on enhancing brand delivery capacity is of vital importance in delivering customer value in both products and services.

In recognising the importance of human capital and internal market orientation, it is clear that external market orientation must be kept in focus. It may be important to ensure that employees are truly engaged, but it must be remembered that the value of this engagement is in the delivery of value to customers. Thus the marketing department should co-operate with the HR department in developing the brand, while it should also work at being finance orientated to improve understanding of the connection between investments in marketing activities and financial performance. Equally, responses to events, such as a change in competitor activity, a move in market share or new patterns of customer behaviour all require

the organisation to work in an integrated way across internal boundaries. The ability to do this effectively requires a participatory market orientation (an outside-in, inside-out way of thinking). This is something that the organisational culture has to encourage and that leadership must demonstrate by its communications and actions. Something the BOI study endorses with its (not surprising) discovery that in the most brand-oriented companies, the executive management group is very active in brand related activity.

Adapted from the book, 'Branding Governance' by Nicholas Ind and Rune Bjerke, Wiley & Sons, 2007.

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<sup>i</sup> Brand Orientation Index: a research project on brand orientation and profitability in Sweden's 500 largest companies. Label AB in cooperation with Frans Melin, 2005