

Enacting brand orientation in an SME context: The role of deliberateness

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Abstract

Brand orientation is a strategic approach that has been shown to benefit organisations, though limited consideration has been given to how brand orientation is enacted in small-to-medium sized enterprises (SMEs). This study is positioned at the intersection of brand orientation and SME branding literature, with the purpose of exploring the implementation of brand orientation strategy in SMEs. A qualitative case study approach was employed to investigate what characterises SME brand orientation enactment in ten small-sized wineries. The findings of this research highlight that a *deliberate* approach to branding is instrumental for SMEs in enacting brand orientation. The concept of deliberateness is demonstrated in four SME branding practices: valuing the brand, brand planning, investing resources in the brand, and brand communication. This study advances the current state of knowledge of SME brand orientation and demonstrates that despite the constraints apparent in the literature, SMEs can and do deliberately enact brand orientation.

Keywords: Brand orientation; brand implementation; small business; deliberateness; wine branding.

Track: Brands and brand management

1. Introduction

Brand orientation is a strategic approach whereby the brand becomes the focus of all organisational processes (Evans, Bridson & Rentschler, 2012; Urde, 1999). The benefits of being brand orientated range from improved brand and market performance (Baumgarth, 2010; Hankinson, 2011) to overall profitability (Gromark & Melin, 2011). However, there is no agreed way of achieving brand orientation (Evans et al., 2012). Branding is typically considered the domain of large businesses (Ahonen, 2008; Berthon, Ewing & Napoli, 2008; Wong & Merrilees, 2005) and brand orientation is no exception. Having been developed largely on the branding practices of large organisations, brand orientation theory is, with the exception of Wong and Merrilees (2005), underexplored in a small-to-medium enterprise (SME) context.

SMEs are most commonly defined by number of employees², and are a significant competitive force in the modern marketplace (DIISR, 2011). SMEs are fundamentally different to large organisations (Ahonen, 2008; Inskip, 2004; Berthon et al., 2008). For instance, SMEs are generally more leader centric (Krake, 2005; Ojasalo, Satu & Olkkonen, 2008; Spence & Essoussi, 2010), have higher resource constraints (Wong & Merrilees, 2005; Ahonen, 2008) and engage in more implicit or informal planning (Abimbola & Kocak, 2007; Berthon et al., 2008; Inskip, 2004) than large organisations. It is argued that their unique characteristics make it difficult for SMEs to implement the brand practices advocated in large organisations (Abimbola & Kocak, 2007). The purpose of this research is therefore to explore

² According to the ABS, SMEs are classified by their number of employees as follows: micro sized is 0-4, small sized is 0-19 and medium sized is 20-199 employees (DIISR, 2011).

the enactment of brand orientation in an SME context by investigating what characterises SME brand orientation.

2. Literature Review

Brand orientation is an emerging concept, defined by Urde (1999) as a strategy in which the processes of an organisation revolve around a brand with the aim of achieving lasting competitive advantage. Brand orientation, as a comprehensive organisation-wide strategy, calls for a brand-focus in all aspects, from the strategic intentions of leaders (Wong & Merrilees, 2005) to daily activities. Despite the focus on *process* inherent in discussion of brand orientation, what is unclear in brand orientation literature is how this strategic approach is enacted in practice. Wong and Merrilees (2005) advocate an implementation focus, stating “the ideology of brand orientation needs to be transformed into action” (p. 156). This has been done with varying degrees of success.

Few studies address brand orientation as a complete process, instead breaking it into elements or antecedents such as ‘brand communication’ or ‘brand distinctiveness’ (Urde, 1999; Hankinson, 2011; Wong & Merrilees, 2005; Evans et al., 2012). While these elements may be relevant to strategising brand orientation and provide tangible activities or benchmarks for organisations, a strategy as complex as brand orientation cannot be realised through isolated elements. Urde (1999), Hankinson (2001) and Gromark and Melin (2011) are among the few authors that articulate an *approach to branding* within the frame of enacting brand orientation. These three studies refer to an active and deliberate approach to branding in their conceptualisations of brand orientation, though they do not focus further empirical work on this concept.

SMEs engage in branding differently to large organisations (Ahonen, 2008; Abimbola & Kocak, 2007). This suggests the need to assess whether current brand orientation theory translates into an SME context, given that it is based primarily on large organisations. At the intersection of brand orientation and SME branding theory, there exists three similarities that are expected to be relevant to SME brand orientation enactment. First, top managers are actively involved in both brand orientation and SME branding, as the primary drivers for the brand (Gromark & Melin, 2011; Urde, 1999; Hankinson, 2011; Krake, 2005; Spence & Essoussi, 2010). Second, brand communication is a key feature in multiple brand orientation studies (Ewing & Napoli, Hankinson, 2011; Urde, 1999), as an accurate, meaningful representation of brand values. Studies of SME branding also address brand communication, though they focus on whether SMEs are engaging in brand communication in any capacity (Centeno & Hart, 2012; Inskip, 2004). Finally, investing resources in branding is a relevant issue across these bodies of theory (Evans et al., 2012; Ewing & Napoli, 2005; Krake, 2005), though the notion of *investment* is in tension with the high resource constraints attributed to SMEs (Ahonen, 2008; Abimbola & Kocak, 2007; Ojasalo et al., 2008).

These factors of brand orientation are expected to be relevant to the enactment of brand orientation in an SME context, though to what degree or in what precise way they affect SME brand orientation enactment is unknown. While providing a foundation from which to explore SME brand orientation enactment, further research is needed to discover what is relevant to the practice of brand orientation in an SME context. Therefore the research question for this study is: what characterises the enactment of brand orientation in an SME context?

3. Methodology

The research reported in this paper was conducted using a qualitative case study design. A qualitative approach was designed to be flexible and responsive (Seale, Gobo, Gubrium & Silverman, 2006) in *exploring* the enactment of SME brand orientation, rather than producing empirical generalisations (Eisenhardt, 1989). A case study design was selected for its ability to focus on the ‘real world’ context (Yin, 2012) of SMEs and convey depth, diversity and complexity (Seale et al., 2006; McGinn, 2010) in interpreting the accounts of participants. Informative and detailed material (Sarantakos, 2013) on branding was generated using multiple case studies (Yin, 2012).

Ten cases were purposefully sampled (Patton, 2002) to provide diversity in SME age, size and degree of brand orientation (from low to high). Small wineries in Orange NSW formed the sampling frame for this investigation, due to the high proportion of small businesses and high perceived need for branding in the wine industry (ANZWI, 2014; Bruwer & Johnson, 2010). In-depth interviews were used to collect everyday accounts (Blaikie, 2010) of branding from the leaders of each participating winery. Interviews were conducted according to a semi-structured schedule, to explore the processes of brand orientation enactment in the cases studied. Questions were open-ended and allowed the researcher multiple opportunities to probe responses (Patton, 2002). As part of the design process, branding terminology was carefully chosen to avoid confusing (Inskip, 2004), leading or unduly influencing (Kvale, 2007; Blaikie, 2010) participants. For instance, the term ‘brand orientation’ was purposefully excluded from interviews. Facilitating freedom in how branding activities were recounted by leaders aided in capturing the varied and dynamic nature of SME branding practices.

An abductive strategy was used to analyse interview data, to develop theory based on the accounts and meaning of participants (Blaikie, 2010; Eisenhardt, 1989) and strengthen interpretation by matching ‘reality’ with existing theory (Alvesson & Skoldberg, 2009). This abductive strategy also ensured cumulative validation (Sarantakos, 2013), as well as a clear chain of evidence through systematic analysis (Eisenhardt, 1989), to confirm the quality of this research.

Analysis occurred in three broad stages: case analysis, comparison to theory, and return and expansion from data. First, interviews were analysed *within case* (Yin 2012), to identify each participant’s priorities and brand-related activities. Cross case analysis was then able to be performed (Yin, 2012), to identify key themes of branding (Patton, 2002), both stated by participants and interpreted by the researcher (Alvesson & Skoldberg, 2009) as similarly important across the cases. Second, the key branding themes identified were iteratively compared to factors identified a priori from the existing literature. This allowed the themes to be transformed into technical concepts (Blaikie, 2010), adding to the legitimacy of initial findings. Third, analysis returned to the detail of case data to transform these concepts into clear branding practices in the enactment of brand orientation. Expanding on the identified concepts in this way ensured the integrity and priorities of each case were being represented (Blaikie, 2010), and generated a specific group of branding practices that were able to be considered in the enactment of SME brand orientation.

4. Findings and Discussion

The key finding of this investigation was the role of deliberateness in enacting SME brand orientation. Deliberateness in branding was observed in identified branding practices and interview accounts through the conscious decisions of participants to pursue brand-related activities for a strategic purpose. The degree of deliberateness demonstrated by each case in regards to branding varied, including multiple reports of intuitive marketing practice and low

prioritisation of branding in some processes, such as resource allocation (Cases A and G). However, deliberateness was found to be greater in cases where processes were built or consistently linked to the brand concept, thus demonstrating higher brand orientation. Furthermore, the concept of deliberateness was seen to offer an explanation for the similarities observed in the branding practices identified as important to the enactment of SME brand orientation across the wineries studied. Specifically, deliberateness in how SME leaders approached branding and thus attained a degree of brand orientation was demonstrated most clearly in four branding practices: actively valuing branding, brand planning, resource spending and brand communication, as seen in Figure 1 - a proposed conceptual framework for the enactment of brand orientation in SMEs.

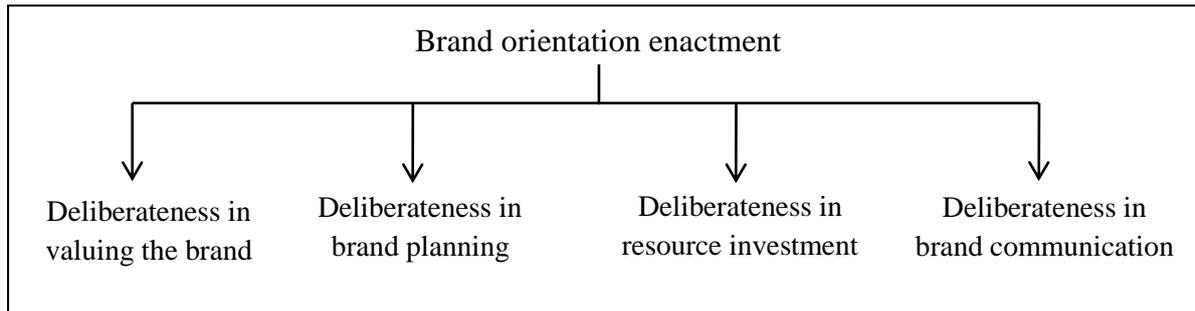


Figure 1: Conceptual framework for the enactment of brand orientation in an SME context

First, the extent to which participants expressed a belief that incorporating the brand into business processes added significant value to the winery offering was found to be characteristic of a deliberate intent to pursue brand orientation. A number of brand-oriented participants highlighted the value they saw as originating from branding. For instance Participant J said *“our brand is all we have. It’s all we have. It’s the only thing that separates us from the other competitors”*. The active value participants placed on branding was attributed to the enactment of brand orientation, and the deliberateness they expressed in pursuing this perceived value was observed to be characteristic of SME brand orientation.

Second, the nature of brand planning reported by participants was indicative of deliberateness. The inclusion of active and formal planning practices was found to reflect deliberateness in approaching brand orientation. For instance, Participant F stated *“[we have] a written business plan that includes branding- an understanding of where we are going”*, which constitutes a deliberate and formalised planning process to ensure their business was oriented around their ‘handmade’ brand philosophy. Deliberately engaging with planning for their brand was found to be consistent with brand orientation in the cases studied. Therefore, formalised planning was dubbed another characteristic of the enactment of SME brand orientation.

Third, the deliberate prioritisation of branding in resource investment was also found to be important to the enactment of SME brand orientation. Though participants identified a range of perceived constraints in time, money, human capital and skill, some displayed a willingness to strategically use resources for a brand-related purpose. This was expressed by Participant C in saying *“[I] believe it is important to spend what sometimes seems to be more money than you would like doing [branding] properly”*. Investing resources in branding was found to be a deliberate choice by participants and characteristic of how SMEs can enact brand orientation.

Fourth, multiple cases demonstrated deliberateness in brand communication, particularly in making strategic choices as to the channels they utilised. For many cases, this was a matter of carefully selecting channels that were perceived to be able to represent the values of their brand concept. For example, Participant B deliberately engaged with personalised channels, including social media saying it was “*very important that I can go out and just snap a photo of the vines and show people what’s it’s like.... It [the website] all sort of ties in with the label and the rural country feeling*”. Deliberateness in how participants approached brand communication, rather than the logistics through which they engaged this organisational process, demonstrated deliberateness and the enactment of brand orientation.

In sum, the results of this case study investigation show that the deliberateness with which SMEs approached branding, as demonstrated through the four branding practices outlined, characterised the enactment of brand orientation in an SME context.

Deliberateness has been referred to in conceptualisations of brand orientation by some authors (e.g. Hankinson, 2001; Gromark & Melin, 2011), but not empirically examined. Indeed, deliberateness appears to be an assumption by many authors in investigating brand orientation in a large organisation context (e.g. Baumgarth, 2010; Hankinson, 2011), perhaps due to the inherent assumption of deliberateness in strategy implementation (Mintzberg & Waters, 1985).

Multiple SMEs demonstrated that they were capable of and actively enacting a brand oriented strategy, albeit to varying degrees, through the deliberate prioritisation of their brand. However, deliberateness is noticeably absent in theory on how SMEs approach branding, which is characterised as more intuitive (Abimbola & Kocak, 2007; Inskip, 2004; Krake, 2005). In contrast to existing concepts of SME branding as intuitive or intrinsic (Ojasalo et al., 2008) or altogether more limited than branding in other organisations (Ahonen, 2008; Wong & Merrilees, 2005), branding practices were identified as being deliberately and purposefully employed, albeit to varying degrees, in a number of brand oriented SMEs.

Therefore it can be argued that while deliberateness is important to the enactment of brand orientation strategy in general, it is particularly important to consider in the context of SMEs, given that existing theory indicates they are not necessarily deliberate in their branding. Purposefully framing this study in an SME context using small sized wineries has shaped the value and contribution of this study. However, the settings of this study also limits the generalisability of the results (e.g. Patton, 2002; Yin, 2012), though the theory developed in this project may be transferred to other comparable settings.

5. Conclusion

This investigation shows that while brand orientation is a complex strategy, SMEs can and do enact brand orientation by deliberately approaching branding. Deliberateness in branding was observed to be greatest when the value of branding was clearly ascribed by the SME leader, when brand planning had an element of formality, when attitudes towards resource investment in the brand were positive and when communication was strategic and focused on the brand. Their deliberate engagement with these branding practices indicates that SMEs are more sophisticated in their branding than has previously been suggested. In this investigation, SMEs were observed to be capable of enacting a brand oriented approach to their business and further, may use the findings of this research as a guide in how they may realistically and deliberately enact a brand orientation strategy. Brand orientation may be enacted progressively over time, in keeping with the capabilities and resources of SMEs, and ultimately should contribute to the brand and organisational success of an SME.

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