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# CORPORATE BRANDING AS A STRATEGIC TOOL IN A COMPETITIVE MARKET

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## Abstract

Brand and effective brand management are integral part of the strategic marketing management. The role of brands and branding toward corporate performance and customer satisfaction has been variously researched. Branding today, as a marketing tool has been recognized as a source of sustainable strategic competitive advantage tool in the organization. No wonder those organizations that have formulated and implemented strategic brand practicing are more successful and profitable than those that have not. In today's hyper competitive knowledge driven economy characterized with consumer sophistication, the need for organizations to adopt strategically different approaches and method that will radically differentiate them from the competition in term of product, services, practice, structure, system, procedure among others. The study is quantitative in nature, and adopted a survey descriptive approach with the use of questionnaire. A sample size of 80 was hypothetical drawn for the study using the stratified random sampling technique. Data gathered was regressed; the finding shows that effective corporate branding is a significant tool toward competitive market. The result of the $R^2 = 0.621$ (62.1%) implies that there is a positive statistical relationship between corporate branding and competitive market. The study concluded and recommended that organizations should invest in effective corporate branding to enable the organization the ability of enhancing their position in the competitive industry.

Keywords: *Corporate Branding, Competitive market, Strategic tool, Sustainability and Stakeholders.*

## Background to the Study

Today, many markets are overpopulated with both large and small companies and overexposed with marketing messages. This has made for a difficult landscape to get a marketing message noticed. With the rising costs of getting a new product or service ready for the market, it has become even more important to cut through this clutter. The one sure-fire way of doing this is by having a corporate branding strategy. Powerful corporate branding can equip most any new product or service with instant credibility and value that simply can't be reproduced with any sort of product-focused marketing campaign. That is why it is vitally important for any serious corporation that wishes its product offerings to be successful to create and protect a strong

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corporate brand. (Aaker & Joachimsthaler, 2000)

The strength of corporate branding as a tool for improving brand performance is widely accepted in theory (Balmer, 2001 and Olins, 2000). However, practice has perhaps been more problematic. According to Ind, (1997), there is evidence that implementation of corporate brand is fraught with difficulties; for the organization most fundamentally many companies are unsure of why they develop a corporate branding strategy. While others do not adequately consider the development of the brand in relation to the organization's various stakeholders. Indeed, a number of firms are (Hatch & Schultz, 2001). A strong corporate branding strategy can add significant value in terms of helping the entire corporation and the management team to implement the long-term vision, create unique positions in the market place of the company and its brands, and not the least to unlock the leadership potential within the organization. Hence a corporate branding strategy can enable the corporation to further leverage on its tangible and non-tangible assets leading to branding excellence throughout the corporation. (Keller, 2000),

Martin (2004) opined that, serious corporation that wishes its product offerings to be successful to create and protect a strong corporate brand must partake in corporate branding. According to Olins (1990), corporate brands, by contrast, live both in the past and the future, as corporate brands stimulate associations with heritage and articulate strategic visions of what is to come. The strategic importance of corporate branding lies not only in its positioning of the company in its marketplace, but in creating internal arrangements (e.g. organizational structure, physical design and culture) that support the meaning of the corporate brand. An ancient and famous Indian proverb says: “If you don't have a goal, how can you know when you have arrived?” In order to establish and grow a corporate brand successfully, the management team has to track and measure the strength of the current corporate brand and the entire brand portfolio.

Statement of the Problem

Competition in the global business environment is tough and achieving a unique position and competitive advantage becomes more and more difficult and expensive. The high level of investment necessary to maintain production capabilities and rising cost of R&D for product differentiation makes strong marketing capabilities and unique brands pre-requisites for modern companies to cover these heavy investments (Martin, 2004).

However, up to date the advantages have proved elusive in practice. It is argued that the current focus in the corporate branding literature on core values and culture makes the organization over focused on its own identity and reduces its responsiveness to change (Richard Jones 2010). Harris & De Chernatony (2001), submits that, corporate branding has been promoted as a tool to meet the multiple challenges of the firm today; the need for increased differentiation in increasingly commoditized markets and the need to attract and retain highly qualified staff to sustain the value generating processes of the address the expectations of an increasing number of stakeholders in order to maintain corporate legitimacy (Hatch & Schultz, 2001) and, not least the need to present a credible, substantial and sustainable corporate image to competitors and investors in order to ensure corporate survival (Van, 2000). Are some challenges faced in the competitive market that cooperate branding seeks to address.

Objectives of the Study

This study seeks to determine

1. How corporate branding can be used as a strategic tool in competitive market.
2. What benefit and advantages are available for firms that practice corporate branding?
3. To determine the relationship between corporate branding and competitive market, to

examine the impact of corporate branding on the organization, to identify the reasons for corporate branding as a strategic tool.

4. To examine the effect of competitive market on organization.

Research Questions

1. What is the relationship between corporate branding and competitive market?
2. How do corporate branding impact on the organization?
3. What is the reason for corporate branding as a strategic tool?
4. What are the effects of competitive market on the organization?

Methodology

This study was conducted using the survey design and this is done through the use of descriptive method. It was conducted so as to gain better understanding of the problem at hand. This research employs mainly simple multiple regression models for the statistical techniques. Therefore a functional relationship was assumed between the corporate branding as the independent variable and competitive market as the dependent variables. In order to analyze and interpret collected data, the statistical package for social sciences (SPSS) was used to test the relationship existing between the variables involved.

Concept of Corporate Branding

Corporate branding can be defined as the process to maintain, continue and create a positive corporate reputation and associations using the power of a brand, which in return is a promise to the stakeholder and consumer in particular at which the brand has formed a set of perceptions about a product, service or business. In every marketing activity branding has an important role because it is indispensable to get profitable businesses and it is also an instrument to communicate with customers. Furthermore, brand names give information to consumers about the quality of the product, and at the same time is also an incentive to the producer to achieve a high and consistent quality standard not to lose customers; once the customers' expectations about the brand are ruined, this would surely loose the customer to a competitor (Parkin, 2010).

Companies need to invest in creating brand awareness and positive brand image to maintain their position in the rapidly changing marketing environments; they also need to find the best way to communicate their brand to customers, who are in our days lot more intelligent, more educated, can better process more complex information and make decisions than few years ago. There are many brandaholics out there in the market, whose needs have to be fulfilled through creating valuable brands and also strong corporate brands. What is more, people became also more interested in the corporation behind the product, the image of the company will many times influence the picture made of the product.

Corporate branding is one type of the brand architecture, a chosen strategy by the company on how they want to create their brand presence in the market. It is associating the name of the company with the individual brand name, a specific branding strategy, using the name of the company for all the company's products or services. This means that only the mother brand is used, and all products carry its name. More precisely, when the corporation itself is branded, not the individual product, we talk about corporate branding (De Mooij, 2010).

Corporate brands represent a mind-set that comes from inside out, which means that customers experience, encounter and perceive the company itself. Corporate brands tell about the company, sending messages to customers about the quality and other attributes of the product or service. Corporate branding can be seen as a systematically planned and executed process which aims to create and maintain a positive image and reputation for the whole organization (Einwiller & Will, 2002). This can be done by sending signals to all interest groups and by managing the behavior and communication as well as symbolism of the whole organization (ibid.). As Einwiller and Will argue, corporate brand can be build, but the other aspect of it is that it will also develop whether someone is building it up or not (Wong & Merrilees, 2005).

Olins (2000) well argues for the importance and comprehensiveness of corporate brand building. According to him, corporate brand building is about constructing a new corporate belief system in the organization. This can be build around products looking and feeling different from those of competitors. Levels of service in the organization should be designed to support this and environments and communication in the organization can be carefully crafted to sustain the brand idea. (Olins 2000) Even though Olins argues that the corporate brand should be build around products, this is not the case in every situation, since the organization might not even have products, but instead for example services. What is important, though, is that the organization should try to differ from its competitors in some way.

Theoretical Framework (Resource-Based View/Theory)
In today's hyper competitive, cut-throat, fierce, knowledge and information driven competitive economic, with it increased consumer savvy or sophisticated which has characterized with changing consumer taste, fashion, preference, income or purchase power demand for improving quality product, good and services etc, organization ought to devise formulate and implement those strategic programs, plans and policies on all organizational activities that will enable them to remain relevant, profitable and competitive. Branding and brand management is an integral part of strategic marketing management.

The resource dependence view or theory of the firm provides the theoretical foundation for this study. Cole 1992, Schoemaker 1990, Stignitz 2004 in (Grant 1991) are the propionate of the resource based view or theory of the firm. The resource based view of the firm holds that among organization resource either tangible or intangible goes a long way determining the success and failure of the firm. The theory hold that the quality, quantity, the competence, rarity and inimitability of firm resource goes a long way in positioning the firm or the company for achieving corporate profitability and productivity.

The theory further holds that firm resource consist or sound as a source of strength and capability for the organization thus, the need for management to invest in the organization resource which consist workers, machinery and technology employed, research and design, product, goods and services, finance or capital, information and communication technology, organization system, structure and practices, ethics, culture and values more than its competitors and in ways that cannot be inimitable or copy by rivalry in the industries as they constitute as source of strength for organization to achieve its goal in some objectives.

The theory further holds that an organization unique attribute or features will clearly enable and position the company toward achieving corporate performance and productivity.

Empirical Framework
Successful brands are built on a foundation of meaningful brand strategy. That strategy provides the framework for what your brands mean and how they should be organized. From brand assessments and brand positioning to brand messaging, brand architecture and nomenclature, Addison Whitney helps clients create comprehensive brand strategies that set the tone for successful brand. In our collaborative strategy development process, we balance business planning with creative thinking to create a clear roadmap for where your brand is now and where you want it to be in the future. But it doesn't end there we also design effective brand strategy tools to help you stay on the path to success. The corporate brand is the ultimate branded house and has

all the advantages of any branded house, plus the fact that it represents an organization (Aaker, 2004). It stands as the ultimate identifier of the corporation; it is the overall umbrella for the corporation's activities and encapsulates the corporate vision, values, personality, positioning, and image among many other dimensions. Corporate brand values are latent in the values of the organization's founders, owners, management and personnel. The reason for corporate branding can be broadly explained by three main factors; differentiation, transparency, and cost reduction (Hulberg, 2006). Brands, used as a holistic marketing strategy communication tool, can differentiate it by offering additional value, especially under severe competition in homogeneous markets where globalization has created price pressure (Kotler & Heskett, 2006).

The role of the corporate brand is to give credibility in cases such as communications with government, the financial sector, the labor market, and society in general (Urde, 2003). Corporate branding is very appropriate to those companies engaged in service industries, as their products are more intangible in nature. When consumers cannot see the product, the company brand name helps give them an assurance of quality, heritage, and authenticity Markets are becoming more complex and products and services are quickly imitated and homogenized, maintaining credible product differentiation is increasingly difficult, requiring the positioning of the whole corporation rather than simply its products (Hatch and Schultz, 2001). Alan (1996) attributes the surge of corporate branding to the rising costs of advertising, retailer power, product fragmentation, new product development cost efficiencies, and consumers' expectations of corporate credentials.

Corporate image is the sum of impressions and expectations of an organization built up in the minds of its stakeholders and the public (Topalian, 2003). Aaker (1996) argues that a brand serves to differentiate the product from its competition by means of a set of consumer perceptions. According to both Kelly (1998), many firms have realized that a strong corporate brand can lead to competitive advantage in the presence of increased competition. The more corporate image is emphasized by stakeholders in emerging markets, the more likely entrants from developed countries are to choose corporate branding.

Data Analysis and Interpretation

Model Summary

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|---|---|---|---|---|
| 1 | .788(a) | .621 | .616 | .71116 |

a. Predictors: (Constant), branding as a strategic management tool

ANOVA (b)

| Model | | Sum of Squares | Df | Mean Square | F | Sig. |
|---|---|---|---|---|---|---|
| 1 | Regression | 62.896 | 1 | 62.896 | 124.363 | .000(a) |
| | Residual | 38.437 | 76 | .506 | | |
| | Total | 101.333 | 77 | | | |

a Predictors: (Constant), branding as a strategic management tool

b Dependent Variable: branding guarantees sustainable competitive advantage

Coefficients (a)

| Model | | Unstandardized Coefficients | | Standardized Coefficients | T | Sig. |
|---|---|---|---|---|---|---|
| | | B | Std. Error | Beta | B | Std. Error |
| 1 | (Constant) | -1.144 | .439 | | -2.606 | .011 |
| | branding as a strategic management tool | 1.091 | .098 | .788 | 11.152 | .000 |

a Dependent Variable: branding guarantees sustainable competitive advantage

Regression Analysis
From the above result, we find out that corporate branding has significant effect on the competitive market.

R-Square
$R^2$ = coefficient of determination of the two variables. This shows the percentage of total variation of the dependent variable explained by the independent variable. The R-Square in this research work shows that the choice of corporate branding as a strategic tool has impact on competitive market.

According to our analysis, $R^2 = 0.621$ (62.1%), which is high implies that the variation in corporate branding are explained by changes in the rate of competitive market. The remaining 37.9% variations are explained by stochastic error term (e) meaning that 37.9% of changes in CM are explained by factors that are not explained in the model.

T- Test Analysis
This deals with the determination of T-calculated and T-tabulated
According the regression result,
Tc = 11.152
To obtain Tt, we have to ascertain the degree of freedom which we have to use.
DF =V
V = (N-1)
Where N = number of respondents.
Therefore we have
(78-1) = 77
Checking 77 at 5% level of significance on the T distribution table,
Tt = 2.000

Decision Rule
Tc > Tt accept H1 reject H0
Tc < Tt reject H1 accept` Tc = 11.152
Tt = 2.000
Tc > Tt
11.152 > 2.000

Findings
The result above states that the choice of corporate branding as a strategic tool has impact on competitive market. The role of the corporate brand is to give credibility in cases such as

communications with government, the financial sector, the labor market, and society in general (Urde, 2003). Corporate branding is very appropriate to those companies engaged in service industries, as their products are more intangible in nature. Many firms have realized that a strong corporate brand can lead to competitive advantage in the presence of increased competition. The more corporate image is emphasized by stakeholders in emerging markets, the more likely entrants from developed countries are to choose corporate branding.

Finally, regression was adopted as the statistical tool using statistical package for social science (SPSS), to analyze the research work, and $R^2$ 62.1% was gotten which is positive and this shows that there is a significant relationship between the variables, a t-test was also carried out and this also prove that there is a significant relationship among the variables and as such prove positive. Base on this ground the result proves that the choice of corporate branding as a strategic tool has impact on competitive market.

## Conclusion

Corporate branding is a powerful concept that has the potential to align the resources of the organization towards the achievement of strategic competitive advantage. However, up to date the advantages have proven elusive in practice. Current thinking about the concept has focused on the concept of corporate identity and image and debate has mostly focused on the role of organizational culture in relation to the corporate brand.

Strong corporate brand is more powerful than any sales and marketing tool or technique available. Because of that corporate branding should be a main priority for any company whether it's small business or a large corporation in any market and industry. Corporate brand is more than a product or service brand but it's a powerful marketing branding platform for creating, building and approving your market offering and portfolio of products and services now and in the future. Corporate brand is more than creating a new campaign, ad, logo or brochure or logo but it's your overall strategic company position in the marketplace based on your company and market beliefs and values. In particular what is needed is to draw on the rich resource that is the organizational culture and make it an integrated part of the effort to build a corporate brand. This will bring the corporation into the corporate branding process with all the competitive benefits that implies. It can be concluded that the choice of corporate branding as a strategic tool has impact on competitive market.

## Recommendations

The following recommendations are given:

1. Since the finding have proven that effective branding give company competitive edge over their counterparts, companies that want to remain as market leaders should see to it that the employ branding as a strategy to achieve that aim.
2. Since corporate image could be enhanced through branding, organizations that seek to have goodwill should endeavor to ensure that their branding strategy is unique and will be well accepted as this will increase sales.
3. It was also established during this research work that branding is a market differential tool; as such organization should adopt it in order for their product to be single out among competitors and improve sales too.
4. Since branding as a strategic tool has significant impact on sales and increase competitiveness, companies that want to increase their share holders wealth should see and adopt it as a means of achieving that aim.
5. Corporate branding should not be seen as an expense that is being incurred by an organization but rather as an investment strategy that the capital invested will be realized.

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