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Strengthen Brand Association through SE: Institutional Theory Revisited

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Abstract

Brand association includes connecting images and symbols with a specific brand or its benefits. Brand marketers attempt to initiate new strategies to strengthen brand association in order to respond effectively to the ever-changing business environment. In today's business context, it has been claimed that business philosophy has shifted from being predominantly orientated towards long-term growth and shareholder profit to broader goals based on the triple bottom line of economic, social and environmental protection and enhancement. Consequently, organizations seeking to survive in this dynamic environment should include social benefits in their business operations. By drawing upon institutional theory and examining the key dimensions of brand equity, we show that business social enterprise is not just emerging but becoming a normative pressure on organizations. Thus, we propose that organizations conforming to this new form of business model as a so-called social enterprise (SE) can strengthen their brand association, leading to further gains in legitimacy in the field. We derived two formal hypotheses from this conceptual framework and expect that conforming to social enterprise businesses would increase brand association performance from the institutional theory perspective as proposed. We hope that this research paper contributes to the branding as well as social enterprise literature by providing a comprehensive framework and discussing relevant issues in explaining key variables. We conclude the paper with specified implications for future research and management practice.

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1. Introduction

It is widely recognized that branding and or brand management is one of the most important factors in operating today's international market (Berry, 2000; Kapferer, 2008; Krishnan and Hartline, 2001; Melewar and Storrie, 2001). Brand association is especially important in service industry, for the fact that strong brands could enhance consumers' trust on intangible purchase and consumption (He and Li, 2011). Much of research has been done to examine the concept brand association in several aspects (He and Li, 2011; Ferguson and Brown, 2011; Ishaq, Hussain, Asim, and Cheema, 2013; Forgacs, 2005; De Chernatony and Dall'Omo Riley, 1999). For instance, Arai, Ko, and Ross (2014) developed a conceptual model of athlete brand image by incorporating key dimensions of athletic performance, attractive appearance, and marketable lifestyle. Horng, Liu, Chou, and Tsai (2012) explored the influence of brand equity dimensions on hospitality and hotel industry, while Ferguson and Brown (2011) introduced a brand-building framework and strategically linked to the relationship between manufacturers and retailers.

In spite of the variety of research topics on branding and its influence on consumer behavior, discussions of how organization types could help strengthen brand association has been rare, especially from organizational theory perspective. Being able to identify new ways of which creates brand associations or which association factors make a strong brand would certainly benefit organizations to further develops such strategies accordingly.

This paper continues the stream of research on brand association and its power on consumer behavior through the institutional perspective. Specifically, we propose that organizations conforming to a new form of business called social enterprise (SE) can strengthen their brand association, leading to further gains in legitimacy in the industry. We will first review current literature on brand association and institutional theory. Next, we will propose a theoretical framework of the relationship between normative pressure and brand association, explaining how conforming to this new business type could help organizations to enhance their brands. Then the paper will conclude with a discussion of hypotheses' contributions, boundary conditions, and implications for future theory building and management practice.

2. Literature Review

2.1. Brand associations

Brand equity refers to the 'set of brand assets and liabilities linked to a brand, its name and symbol that adds to or subtracts from the value provided by a product or service to a firm and/or to that firms customers' (Aaker, 1991, p. 5). Aaker's (1991) brand equity framework includes brand name awareness, brand loyalty, perceived quality, and brand associations. Among the four key dimensions of brand equity, marketing scholars have pointed out the importance of brand associations in the process of building a strong brand, as they are about images and symbols associated with a brand or a brand benefits and thus can ultimately drive brand performances (He and Li, 2010; Keller, 1993; Bauer, Sauer, and Exler, 2008). Brand associations are often defined as the degree to which a specific product/service is recognized within their product/service class/category, while brand image involves the perceptions of particular brand as reflected by the brand associations held in a consumer's memory (Keller, 1993; Aaker, 1991). With the above definitions, brand associations and brand image have been used interchangeably in the literature (Arai, et al., 2014).

2.2. Institutional theory

Institutional theory focuses on social expectations and norms for appropriate organizational structures, operations, behaviors, and practices (DiMaggio and Powell, 1983; Meyer and Rowan, 1977). Conforming to these expectations and norms is critical for an organization to maintain its legitimacy in the field of business (Sucker,

1987). In particular, DiMaggio and Powell (1987) categorize institutional pressures into normative, mimetic, and coercive pressures and claim that these pressures are from customers, suppliers, and competitors.

Normative pressures occur when social actors voluntarily, but unconsciously, copy other actors' beliefs, attitudes, behaviors and practices especially when that action has been applied by a large number of other actors (DiMaggio and Powell, 1983). Coercive pressures refer to pressures that stem from government and professional regulatory agencies, suppliers, or political influences (Teo, Wei, and Benasat, 2003). Lastly, mimetic pressures are from an organization's perceived success of competitors' actions (DiMaggio and Powell, 1983). In other words, organizations shall seek to copy the same behaviors and practices of successful organizations in the same field in order to receive similar successfulness (DiMaggio and Powell, 1983). This research paper will focus only on normative pressures, as it can be simply applied with the research model

3. Conceptual Framework and Hypotheses Development

The institutional theory focuses on the pursuit of legitimacy in the eyes of important societal stakeholders by complying with the institutional environment as attitudes and behaviors of social actors (Jan, Lu, and Chou, 2012). Brand associations include connecting images and symbols with a specific brand or its benefits. Brand marketers would desire to initiate new strategies to strengthen brand association to further respond to changing business context. Many scholars believe that new business organization such as social enterprise (SE), which have focused more on the betterment of society and other factors such as community and the environment will be emerging as a new way of business operations (Jiao, 2011; Robinson, Mair, and Hockerts, 2009). Social enterprise is often viewed as business with a social purpose that earns income for the non-profit sector. As traditional resources continually reduce and competition for these resources becomes fierce, alliance between organizations and non-profit organizations as well as cooperation among organizations to improve efficiency in products and services so as to serve community better are more likely to be successful as a new way of doing business. Consequently, organizations being able to conform to this new type of business of SE, which is expected to be adopted by a large number of organizations, would strategically create image of social and/or environmental concerned group attached to their existing brands, leading to stronger brand image and association and ultimately the legitimacy among consumers and stakeholders of such brands. These arguments above lead to the following hypotheses:

1. Normative pressure from adopting SE is positively related to brand association.
2. Brand association is positively related to being legitimate of an organization in the field. The higher level of brand association, the higher level of being legitimate of an organization in the field.

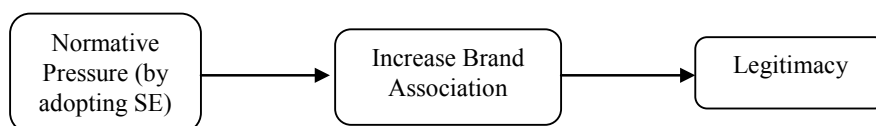


Fig.1 Conceptual Framework

4. Methodology

A semi-structured interview with supervisors of several organizations in Thailand together and a questionnaire survey were performed. Our target sample was employees working in management levels from various types of businesses, including social enterprise in Thailand. Individuals were informed that participation in this research study is voluntary and that their responses would be confidential and be analyzed only at the aggregated level.

A pre-talk with our target group of people before distributing the questionnaire has shown us some disappointing yet interesting of preliminary results. We found that most of our interviewees had little knowledge about social enterprise and thus could not distinguish between corporate social responsibility (CSR) and social enterprise.

Upon this point of time, the questionnaire is on the process of returning back and analyze.

5. Discussion and Conclusion

Attempting to develop creative strategies to be able to survive in today's business environment is not easy for managers. Using an organization theory of institution, we proposed that conforming to a new business type as so called social enterprise (SE) would certainly strengthen brand image and brand association, leading to further gains in legitimacy in the field. Several implications for future research can be drawn from this study. The concept of social enterprise is fairly new and not yet fully explored, thus leaving a lot of room for further studies. For example, researchers might want to add up other factors to the proposed framework, in order to further provide more specific outcomes to contribute to the field or conduct more research studies on social enterprise and other attributes of brand association. Alternatively, researchers would want to apply other organizational theories with this research model. Such theories are for example resource dependence theory. In addition, it would be interesting to extend the propositions to specific types of business. Different types of business may yield different outcomes, which could either support or oppose the hypotheses. This will lead to further discussion and other possible research questions. Moreover, researchers may want to conduct a parallel study in different types of business. The results from comparing the datasets of two or more types of business (e.g., restaurant vs. banking) will not only provide researchers interesting outcomes and conclusion, but will also suggest additional variables that could make the model more meaningful. This research study also has practical implications. Social enterprises are concerned with attaining multiple social and environmental objectives, with guaranteed income to self-maintain their activities (Jiao, 2011). In many cases, these objectives are not matched in the short term and would create dilemmas that might lead to undermine the legitimacy of the organization. Managers and management people should be careful when decide to transform and/or conform business operations toward social enterprise type of business operations.

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