Services Branding Strategies: Using Corporate Branding to Market Educational Institutions

Joo-Gim Heaney
University of Notre Dame Australia, jheaney@nd.edu.au

Michael Heaney

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SERVICES BRANDING STRATEGIES: USING CORPORATE BRANDING TO MARKET EDUCATIONAL INSTITUTIONS

Joo-Gim Heaney
The University of Notre Dame Australia, Sydney

Michael F Heaney
The Cranbrook School, Sydney

ABSTRACT
Corporate Branding has been suggested as an appropriate branding strategy for branding services as opposed to service product branding (Dall’Olmo Riley and de Chernatony, 2000). As corporate branding takes into account the perspectives of various stakeholders associated with the organization, this concept then becomes a crucial strategy when branding and marketing educational institutions. This paper provides an important theoretical contribution to services marketing literature by providing conceptual applications of corporate branding to educational institutions. The paper also examines how different stakeholders including staff, students, admissions officers and other related faculty and parents can be integrated to enhance the branding of education. In addition to the theoretical contribution, managerial implications on using corporate branding are raised as part of future research issues.

INTRODUCTION
Education is a multimillion dollar industry and a crucial industry segment within the Australian economy. As an export industry, in 2005, education was Australia’s fourth largest export and in the 2003-2004 year, education services were worth AUD$5.9 billion to the Australian economy with an average growth of 15% per year (Australian Government, 2005). Australia, therefore, needs to ensure that its educational products are adequately branded as it has now become a worldwide educational provider.

Many educational executives are cognizant of the need for “marketization” – the marketing of their education institutions (see e.g. Hanson, 1996). The marketing of education is needed for successful recruitment and for increasing market share of resources and students (Davis and Ellison, 1997; Grace, 1995; Oplatka, Hemsley-Brown and Foskett, 2002).

One particularly important marketing concept that has not been addressed adequately in the marketing of services is that of branding, particularly in the context of branding education. The university sector has traditionally led research into the marketing of education products, exemplified by numerous articles on how to brand education at the school and university level, including articles by Arenson (2004), Chapleo (2003), Holmes (2003), Gifford (2004), and Reader (2003), amongst others. These articles describe how universities can differentiate themselves through the use of branding strategies, for example by creating a sense of community between the educational product and its customers (Arenson, 2004), and through a number of practical activities on how to create a brand, followed by reasons on why a brand is important (Chapleo, 2003; Gifford, 2004; Holmes, 2003). There also exists a number of marketing articles dealing with branding in schools, such as those by Oplatka and Helmsley-Brown (2004), positioning schools using marketing plans (e.g. Harvey, 1996), communicating with its customers and clients (Hall, 1996), and brand valuation (Roberts, 1998). The paper by Heaney, Heaney and Ross (2006) provided a Strategic 3-Step Brand Building Model for schools and educational institutions. The paper provided an important
contribution to branding in the services sector to actually prescribe a process on how to build brand equity for schools.

There is, however, a gap in how branding can be used strategically and conceptually by educational institutions. In addressing this gap, this paper provides an additional contribution to the theory and practice about branding for services: how educational institutions can use “corporate branding” to unite their various clientele or stakeholders in strategically branding their organisation. De Chernatony and Dall’Olmo Riley (1999) has commented on the lack of research into identifying best practices in services branding; in addition, McDonald, de Chernatony and Harris (2001) stated that more research is needed to produce a tailored model for services branding. In fact, top-of-mind responses from service organizations suggest that managers perceive branding as major sources of advantage for their organizations (Gray, 2006). It is apparent that there is a paucity of research on holistic strategies for branding in one of Australia’s most important and economically viable industries.

This paper provides an important contribution into how educational organizations can use corporate branding, the aspects of corporate branding, and the implications this strategy has on an educational institutions’ brand management strategies. Research questions are raised at the end of this article in order to further explore how corporate branding can be used in the educational sector.

CORPORATE BRANDING

The notion of “corporate branding” came about as brands evolved from a name given to products to brands signifying relationships built between the company and its customers (Dall’Olmo Riley and de Chernatony, 2000), indicating a more holistic manner when dealing with services. The corporate brand, therefore, expresses and gives credence to a relationship built on trust and promises. Particularly for professional services companies, where it is difficult to rely on specific products, or make a priori judgments about the company, Boyd, Leonard and White (1994) indicated that corporate brand names are more appropriate. In addition, under the pressures of transparency, increased costs and the needs to increased differentiation, Hulberg (2006) articulates the needs for corporate branding. In fact, Olins (2000) makes the case that promoting a whole company under corporate branding is more efficient for differentiation purposes compared to using product branding: a company can then use image, company attributes as well as reputation as additional differentiation opportunities.

Corporate branding is distinct from product branding in that a corporate brand encompasses associations and communications with people, relationships, programs and values, corporate credibility, and benefits of products; corporate brands include who the company is, not just what the company does (Keller and Richey, 2006). Barich and Kotler (1991) also state that corporate brands are more likely (compared to product brands) to lead to associations of product benefits, attributes, relationships and values. This seems to be eminently suitable to education programs where the relationships and values of educational institutions are important to the decision process above the education or degree received.

Corporate branding therefore focuses on the company and not the products (Gylling and Lindberg-Repo, 2006); product brands focus on customers only through the product sold. Corporate brands focus on the whole company’s image to include the community, investors, partners, suppliers, and has the propensity to relate all the organization’s multiple stakeholders with one another to form a relationship between these stakeholders and the
company (Gylling and Lindberg-Repo, 2006). In addition, Dall’Omo Riley and de Chernatony (2000) and McDonald et al. (2001) state that corporate branding is more suited to professional services as the emphasis of corporate branding is on the capabilities of the provider.

The benefits of corporate branding include the ability of the company to differentiate itself (Gylling and Lindberg-Repo, 2006), a positive image from its stakeholders resulting in profitability or other favorable outcomes (Gylling and Lindberg-Repo, 2006), sustainable competitive advantage as per the resource based theory, and the fact that corporate brands cannot be substituted with other brands (Balmer and Gray, 2003). Other benefits include corporate credibility (Keller and Aaker 1998) where brand extensions and product innovation (or brand architecture) receive improved evaluations.

ASPECTS OF CORPORATE BRANDING
As portrayed in Diagram 1, the Corporate Brand consists of three main aspects: Core Values of the organization, Internal Marketing of the corporate brand (e.g. employees, suppliers, board, administration), and External Marketing of the brand (e.g. customers, community, government, and associations). All of these stakeholders interact with the Core Values established by either the stakeholders or as a tenet of the organization’s formation. More importantly, Diagram 1 purports that there is no one stakeholder group that is more important than the other: each element holds the other in check and balance, and interacts to produce the one Corporate Brand. For example, an incoming Head (Internal Marketing) has to abide by the culture of the institution (Core Value) as well as the perceptions and needs of the surrounding local community (External Marketing). Diagram 2 then articulates aspects of the Core Values, Internal Marketing and External Marketing which will now be discussed.

Diagram 1: The Interaction between Core Values, Internal Marketing and External Marketing for Corporate Branding

Core Values

External Marketing

Internal Marketing
Diagram 2: The Outcomes of Corporate Branding

A: CORE VALUES
Urde (2003) defines core values as overarching concepts summarizing the corporate brand to guide the brand building process. As there are various stakeholders associated with the corporate brand, and there is a link between the organization and stakeholders, it is imperative that all stakeholders are in agreement as to what the core values are and what each core value represents (Gylling and Lindberg-Repo, 2006). It is the core value and the connections between these stakeholders that will permeate the organization and form the culture of the organization (Gylling and Lindberg-Repo, 2006). However, it is unclear as to which way the values are formed – do the stakeholders actually get to form the corporate brand? And where do values of stakeholders come from?

What is also unclear is how corporate branding in services is understood by employees compared to customers. Dall’Olmo Riley and de Chernatony (2000) found on consultation with brand consultants that customers have a much better understanding of product based brands compared to service based brands. Services attributes of intangibility, variability, heterogeneity, and perishability make for an abstract and complex relationship between customers and the company when trying to understand and implement a brand (Dall’Olmo Riley and de Chernatony, 2000). A service is difficult to define physically; a service has many facets which need to be reconciled with a holistic product; and a service can vary between each provider each time the service is executed.

It is also unclear as to why corporate brand personality reflects the values, words and actions of all employees as opposed to the other way round (Keller and Richey, 2006). In other words, cannot the words and values of certain employees reflect upon the corporate brand of the organization? This question may arise when there is a “takeover” of the staff upon the arrival of a new Head of school who is unaware of the long-established traditions and ethos of a school. The current staff members may hold a crucial link to the past cherished traditions of an institution, and prove invaluable in assimilating the new Head to the school’s traditions. Gray (2006) found that there is a recursive link between the quality of staff and the quality of the brand in services companies; better performing companies tend to reinvest in improving their staff who can then improve the company. This relationship between staff development and competitive advantage should indeed be investigated in schools and education generally.
Similarly, the “corporate culture” of an organization is explained by Gylling and Lindberg-Repo (2006) as embodying total behaviors from a collective mind-print of the organization, the total of neural connections of that company; this collective view point provides the organization’s identity (who the company is) (Karjalainen, 2004) as opposed to what the product is. The collective view point also comes from the “core values” which provides a summary of the corporate brand (Urde, 2003), and guides the branding process through linking vision, mission and corporate values. This brings about the essential role of employees as they are the ones who provide the link to all stakeholders (including investors, suppliers, partners, regulators, special interest groups or the community), are key to building internal and external relationships and actually provide the ability to build a brand (Balmer and Wilson, 1999; de Chernatony 2001; Harris and de Chernatony 2001; Hatch and Schultz 2001; Wilson 2001). Corporate branding concerns multiple stakeholders interacting with the company’s employees; that is why a consistent message needs to be given to all stakeholders particularly in a company with a diverse group of products (Gylling and Lindberg-Repo, 2006).

However, it is the link between all the stakeholders which seems to be crucial for a successful corporate brand in an educational institution. Corporate branding is a concept that binds the whole organization, and it would behoove the organization to communicate one message from the whole institution to internal stakeholders (teachers and administrators) and the external stakeholders (parents, students and the wider community). De Chernatony and Dall’Olmolm Riley (1999) have stated the importance of training and communication to employees and customers so that they know what the brand stands for.

B: INTERNAL MARKETING

Corporate brand personality involves the human traits attributed to a brand (Keller and Richey, 2006). This personality incorporates the three dimensions of affective, cognitive, and conative aspects of a personality, associated with the company having a passionate and compassionate “heart”, a creative and disciplined “mind” and an agile and collaborative “body” (Keller and Richey, 2006). Aaker (1997) found that there were 5 main clusters of personalities: sincerity, excitement, competence, sophistication, and ruggedness. Corporate brand identity is the mix of characteristics that an organization possesses as a subject and provides the basis for a company’s reputation (Gylling and Lindberg-Repo, 2006).

In relationship to educational institutions, the importance of employees in shaping and giving an organization its “soul” and “purpose” cannot be underestimated. An institution is only as good as the people it hires; employees belong to an institution, and the institution communicates through its employees. Because a company’s reputation is formed from a relationship between the company’s collective standing with its employees and external stakeholders, Gylling and Lindberg-Repo (2006) state that a company’s reputation is a company’s ability to provide valued outcomes to a representative group of stakeholders, in this case, the students and parents who made a decision to attend the institution.

Brand strength appears to be increased in the event of:
1) Increased marketing communications (internal communication so that staff can understand what customers need),
2) Integrating marketing communications of all the stakeholders,
3) Investment in people – internal branding and personalization, and
4) Corporate branding and investing in branding and then the formal market research including community contributions (Gray (2006).
Therefore, it appears that people are being branded rather than organizations. This advice needs to be heeded as Wally Ollins, a brand consultant in the UK sagely advises that educational institutions need to change internally – not just superficially (Coomber 2005). There needs to be an authenticity about what the educational institution does and how it presents itself. Thus – the connection between the various stakeholders.

Corporate brand names do not just indicate to customers what the organization is about: it also give the employees of a company an infused corporate culture about what the brand values are (Gronroos, 1990) to allow the delivery of appropriate services and customer orientations; these notions can then indicate to employees what to do when new untested situations arise (Gummesson, 1991). In fact, the link that branding plays between customers and employees is so vital that Reichheld (1997) relates customer loyalty to employee satisfaction and retention strategies.

However, Hulberg (2006) makes the point that there may be employees who are resisting adapting to organizational norms and values. An organization, in accordance to Hulberg (2006), may also have more than one culture. The brand image of the company may also differ amongst different stakeholders; it is unclear as to how an educational organization reconciles these differences between different stakeholders and within the same group of stakeholders.

C: BRAND EQUITY THROUGH EXTERNAL MARKETING

Customer based brand equity can be defined by the differential effect that brand knowledge has on a customer’s response to the marketing of the brand (Keller, 1998, p. 45). This means that when a brand is marketed, an institution is making an investment as to what customers know, remember and perceive about the brand (Gregory and Wiechmann, 2002) – which all ties in with brand knowledge.

The main rationale for a strong corporate brand is to establish a strong customer brand. Brand equity is the key determinant for the value of a corporation (Doyle, 2002, p. 157). A strong customer brand means high brand equity (or goodwill) for the organization which can be measured through customer, company and financial outcomes (Keller and Lehmann, 2006). As Gylling and Lindberg-Repo (2006) state, the views of the stakeholders, organization and customers are therefore combined to build on the brand’s value. The resulting customer based brand equity results in differential brand knowledge which draws upon brand awareness, brand image and brand identity (Keller, 1993).

Brand equity should be discussed and defined in accordance with each context as the nature of brand equity varies between each context (Aaker, 1991; Bailey and Ball, 2006). This is particularly important when one wants to understand the nature of brand equity in the educational context; Krishnan and Hartline (2001) state that an understanding about brand equity for services has yet to emerge and most discussions about services brand equity is anecdotal. In accordance with the hotel industry, Bailey and Ball (2006, p. 34) has defined “hotel brand equity” to include the value that consumers and hotel owners associate with that hotel’s brand, and the resulting impact of these associations on behavior and financial performance. Therefore, corporate brand equity for educational services can be defined as including the brand value that all stakeholders (e.g. students, parents, employees and the community) associate with an educational institution and this value includes all educational outcomes, personal development, behavior and financial results of that relationship.
Keller and Lehmann (2006) have questioned the effect that brand intangibles have on brand equity; these intangible effects may be the cause or formative aspect of brand equity, as opposed to constructed or reflective reasons for brand equity. In other words, are the intangible attributes of the education constructed before or after experiencing the “product”? This question ties in with the importance of corporate branding in that students and parents need not have actually experienced a brand before having a brand image or brand equity in mind. Implementing a corporate brand strategy takes into account a strategy where various stakeholders have a role in creating brand equity in other stakeholders before decisions are made about an educational institution.

An important part of brand equity is brand experience (Keller and Lehmann, 2006) where brand experience can affect brand equity. Certain experiences are under the control of the organization – but there are some which are not. In addition, some experiences can be taken advantage of by companies to enhance their brand equity (Keller and Lehmann, 2006). Schmitt (2003) researched 5 experiences that can create a brand: sense, feel, think, act, and relate.

**RESEARCH QUESTIONS**

Based on the above explanation of the conceptual basis of corporate brand equity in application to educational institutions, a number of research questions can now be explored. These questions may be explored qualitatively or quantitatively. Given the exploratory nature of this paper, and the conceptual questions that have been posed, it is suggested that qualitative research methodologies are more suitable.

Core values are formed when an educational institution is enacted in the form of the vision, mission, and purpose of an institution. For example, the King’s School was established in 1831 in New South Wales, Australia to foster the “rudiments” of all kinds of knowledge (The King’s School, 2007). However, these values have now changed, or more appropriately, morphed into goals encapsulated in phrases such as “Academic Excellence, Leadership and Learning, and Realizing Potential.” The question then becomes: how does an educational institution decide to change from one set of core values to another? Who initiates the change – and how do various stakeholders interact and communicate with each other to “agree” on a new set of core values? Do certain events trigger such change? Can an educational institution have a different set of core values within each department/faculty - and how do these differences get resolved between these stakeholders?

Core values should also be understood by various stakeholders. However, as discussed in the previous sections, it would be most unusual for all employees to embody the same values at the same educational institution. Academics have “academic freedom” to pursue their benchmarks, ideology and educational aspirations within their own disciplines – indeed, it would not be appropriate for a science teacher to inform a music teacher what to pursue technically, nor the methods in which to achieve their educational benchmark. How then, is a cohesive core value formed? In addition, the crucial role of employees in communicating a corporate culture to the other external stakeholders is particularly important when there are new “arrivals” in the institution, such as a Dean or a Head. Whose culture and values is embodied – and how is the new culture diffused to other stakeholders? Can the opposite occur when employees inform or influence a new Head?
Within Internal Marketing, the corporate brand needs to be diffused within the staff of an institution. Keller and Richey (2006) states that there are three aspects of a brand’s personality: affective (emotion), cognitive (thinking), and conative (behaviour). The question then becomes: how is each aspect of a corporate brand diffused within an educational institution? Is each segment of internal stakeholders more crucial for each aspect of branding? Gray (2006) states that brand strength increases with increased marketing communication, integrated marketing communications (IMC), investment in people, and corporate branding: is this the case for educational institutions? How do educational institutions “invest in their people”? How do educational institutions “brand people”? This is a particularly pressing question when segments of faculty, administration and students may differ in their values and aspirations. Do educational institutions realize the difference between internal marketing and external marketing? What do they do when untested situations arise and who does the institution draw on to encapsulate the corporate brand in that situation? What do educational instructions do when academics complain of unnecessary bureaucracy that runs counter to the corporate brand the institution is trying to muster to external stakeholders?

Brand Equity from External Marketing results from the hard work involved in successfully implementing a strong corporate brand. The question for educational institutions then becomes: which one of the stakeholders is most pertinent in forming brand equity - the employees, the administration or the students? How then do institutions maintain brand equity when a leader departs? How long do institutions need to “recover” from setbacks affecting their brand equity? Can institutions form what is called “face value” changes where internally and structurally, nothing has changed and can this affect brand equity? Is an institution with strong brand equity able to ensure positive decisions are made based on intangible attributes (see Keller and Lehmann, 2006) before even visiting the physical aspects of the brand (e.g. for admissions) compared to institutions with weaker brand equity?

MANAGERIAL IMPLICATIONS AND FUTURE RESEARCH
This paper contends that educational institutions including schools and universities will be well served through using corporate branding strategies, as opposed to product branding strategies. For intangible products such as education, corporate brands involve and engage all stakeholders, including students, parents, the community, the government, and employees, amongst others. Through corporate branding, the image of the organization, as opposed to the attributes of a product (education) is used to differentiate the organization, and build the value of an educational institution. Two diagrams articulate how core values, internal and external marketing are all interconnected to brand the institution.

A number of research questions can then be raised in relationship to branding educational institutions. Qualitative research can be used to investigate how core values are formed and changed, how employees and culture are used to initiate and communicate internal marketing, and how external stakeholders are engaged to form and react to the corporate brand. These research questions show that while corporate branding strategies are imminently suited to marketing services such as educational institutions, a large number of areas of research need to be investigated in corporate branding.

REFERENCES


