Brand Orientation: A Case Study Approach within the Context of Social Entrepreneurial Businesses

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Abstract

International attention is increasingly being drawn to Social Entrepreneurial Businesses (SEOs). Basically, these new types of businesses aim to solve social, environmental or societal problems by using modern management practices and means of innovation. Compared with traditional non-profit organizations, many SEOs strive to work profitable: They have earned income strategies or are even profit-driven. Their founders are commonly called Social Entrepreneurs.

Although SEOs are a popular field of research, so far little attention has been given to their different strategic orientations. Strategic orientations can be defined as guiding principles that influence the strategy-making and concrete behavior of organizations. Strategic orientations that have been researched intensively in the past include customer, market, competitive, employee, product, resource, entrepreneurial and – most recently – brand orientation.

In this paper, a conceptual model of brand orientation in the context of SEOs is introduced. Then, a case study method based on in-depth-interviews with Social Entrepreneurs is used to illustrate and to discuss the model.

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1. Introduction

The Social Entrepreneurship Organization (SEO) is a new kind of business that, despite of the young age of the term, has already been discussed widely in the press, in politics, and in science. The founders of such SEOs set
social priorities without excluding well-known business principles – instead, they use them, putting them in a new framework. In general, SEOS aim at generating social impact by using innovative solutions to resolve well-known problems (Weber et al. 2013; Dacin et al. 2010). They work profit-oriented, but their earnings stay completely or at least to major parts within the organization (Yunus 2010, S. XVII).

In the last years, there has been a lot of research around SEOS. Commonly, those studies focused on their overarching purpose or on the processes underlying innovative and entrepreneurial activity (Luke/Chu 2013). A key, yet under researched concept in explaining the survival and success of SEOS is the concept of strategic orientations (Schönbucher 2010), sometimes called “the corporate mindset” (Talke 2007) or the “dominant general management logic” (Prahalad/Bettis 1986). A company’s strategic orientation can significantly influence the degree to which it accomplishes its goals from a macro- and micro-perspective (Gatignon/Xuereb 1997). Aside from the work of Ma et al. (2012) and Hong/Cho (2012), not much attention has been given to the impact of different strategic orientations on the performance of these new, hybrid social businesses. One strategic orientation that in recent years has been discussed within the profit sector is the so called brand orientation. In this paper, we develop a model of brand orientation within the context of SEOS and test it with the goal of validation by using secondary data generated by a study that conducted qualitative interviews with social entrepreneurs.

2. Literature Review

2.1. Social Entrepreneurs, Social Entrepreneurship and Social Entrepreneurship Organizations (SEOs)

SEOs are founded and managed by social entrepreneurs. Although the use of the term social entrepreneur is increasing rapidly, there seems to be some confusion about what exactly a social entrepreneur is and does. The term as currently used seems vague and undefined. This lack of a common concept raises questions regarding which social or profit-making activities fall within the spectrum of social entrepreneurship (Abu-Saifan 2012). Dacin et al. (2010) identify 37 definitions of social entrepreneurship or social entrepreneur, the most common one being the one provided by Dess (1998, revised 2001). According to Dess, social entrepreneurs “play the role of change agents in the social sector, by:

- Adopting a mission to create and sustain social value (not just private value),
- Recognizing and relentlessly pursuing new opportunities to serve that mission,
- Engaging in a process of continuous innovation, adaptation, and learning,
- Acting boldly without being limited by resources currently in hand, and
- Exhibiting a heightened sense of accountability to the constituencies served and for the outcomes created” (Dess 2001, 4).

For Cho (2006, 36), social entrepreneurship is “a set of institutional practices combining the pursuit of financial objectives with the pursuit and promotion of substantive and terminal values.” According to Yunus (2008, 32), “any innovative initiative to help people may be described as social entrepreneurship. The initiative may be economic or non-economic, for-profit or not-for-profit.” Zahra et al. (2009, 5) assert that social entrepreneurship “encompasses the activities and processes undertaken to discover, define and exploit opportunities to enhance social wealth by creating new ventures or managing existing organizations in an innovative manner.” According to Abu-Saifan (2012), it is important to set the function of social entrepreneurship apart from other socially oriented activities such as philanthropy, social activism or environmentalism and to identify the boundaries within which social entrepreneurs operate. He views the social entrepreneur as a “mission-driven individual who uses a set of entrepreneurial behaviors to deliver a social value to the less privileged, all through an entrepreneurially oriented entity that is financially independent, self-sufficient, or sustainable” (Abu-Saifan 2012, 25).

Many approaches to defining SEOS focus on the primary mission and outcomes of the social entrepreneur. This highlights the fact that SEOS aim at generating social impact by using innovative solutions to resolve well-known problems (Weber et al. 2013; Dacin et al. 2010). The above-mentioned definitions of social entrepreneurship therefore agree that the concept places a central focus on two features, i.e. social or environmental outcomes and innovation. Many authors also emphasize that social entrepreneurs distribute their socially innovative models via
market-oriented action (e.g. by scaling up their initiatives and other contexts by forming alliances and partnerships) with the aim of reaching broader and more sustainable outcomes (Huybrechts/Nicholls 2012). These dimensions map onto what Cho (2006) identifies as the main building blocks of SEOs, i.e. sociality, innovation and market relatedness.

2.2. Brand orientation

Strategic orientations are the guiding principles that influence the strategy-making and concrete behavior of an SEO (Noble et al. 2002). The framework of strategic orientation integrates the idea that a strategy is not always explicitly decided by management, but also evolves through decision patterns and organizational learning (Mintzberg 1989), which is useful in the SEO context. The literature offers a wide variety of different strategic orientations: market or customer orientation (e.g., Homburg/Pflesser 2000; Deshpandé et al. 1993; Jaworski/Kohli 1993; Narver/Slater 1990), innovation or technology orientation (e.g., Gatignon/Xureb 1997), entrepreneurial orientation (e.g., Zhou et al. 2005; Matsuno et al. 2002), learning orientation (e.g., Baker/Sinkula 1999; Sinkula et al. 1997) and, last but not least, brand orientation (e.g., Baumgarth 2010, Baumgarth et al. 2013; Urde 1994, 1999; Wong/Merrilees 2008).

Researchers describe the concept of brand orientation as an approach that focuses on brands as resources and strategic hubs (Melin 1997; Urde 1994, 1999). Specifically, “Brand orientation is an approach in which the process of the organization revolve around the creation, development, and protection of brand identity in an ongoing interaction with target customers with the aim of achieving lasting competitive advantages in the form of brands” (Urde 1999, 119).

Inspirations for the new orientation have come from case studies (Melin 1997; Urde 1994) and from the simultaneously emerging field of strategic brand management (e.g., Kapferer, 2012; de Chernatony et al., 2011; Keller 2008; Aaker 1991). The perspective on brands as strategic assets (Itami/Roehl 1987) and on brand management (Diamond 1981; Low/Fullerton 1994) as a core competence (Prahalad/Hamel 1990) finds support from the field of resource-based strategy (Barney 1991, 1997; Dierickx/Cool 1989; Grant 1995; Itami/Roehl 1987). The statement that “the brand is not an unconditional response to the wants and needs of customers” (Urde 1999, 119) challenges the market-oriented paradigm by assigning greater emphasis to the organization's mission, vision and values.

From a cultural perspective, brand orientation may also be defined as a certain type of corporate culture or as a particular company mindset. Urde suggests that the way of relating to brands and the organization's brand competence are “prerequisites of brand development” (Urde 1999, 123). Hatch and Schultz (2001, 2008) offer insights into the alignment of vision, culture and image. Their approach uses culture as a foundation, vision as a point of gravity and image as the external aspect of the brand, relating their work closely to the ideas of the brand-oriented corporation. Balmer and Greyser (2003) explore the multiple identities of the corporation and the evolution of corporate branding.

The literature offers a wide range of conceptualizations of corporate culture (Cameron/Quinn 2006; Deshpandé/Webster 1989). Baumgarth (2009, 2010) uses Schein's corporate culture framework to explain the internal structure of brand orientation. The cultural layer, according to the corporate culture model by Schein (2004) and Homburg/Pflesser (2000), covers values, norms and symbols. Values are defined as deeply embedded, taken-for-granted, largely unconscious behaviors. They form the core of culture and determine what people think ought to be done. Norms, i.e. conscious strategies, goals and philosophies, represent the explicit and implicit rules of behavior. In an organization, they determine how the members represent the organization both to themselves and to others. Symbols or artifacts are the most apparent element of culture. They include any tangible, overt or verbally identifiable element in an organization (e.g. furniture, dress code, stories, jokes).

From a behavioral perspective, brand orientation characteristics include the importance accorded to the internal anchorage of the brand identity (mission, vision, and values). The idea of ‘living the brand’ has a strong link to the brand orientation concept (Baumgarth, 2010; de Chernatony 2010; Ind 2007; Punjaisri/Wilson 2007; de Chernatony et al. 2003; Ind/Bjerke 2007; Mitchell 2002). Other examples of brand-oriented behaviors are corporate identity and corporate design (Birkigt/Stadler 2002; van Riel/Balmer 1997; Olins 1978), integrated marketing communication
To conclude, the behavioral layer measures the manifestation of the respective orientation. The classical management and marketing concept distinguishes between behaviors involving analysis and activity. Analysis comprises approaches like market research and controlling including key performance indicators, while activity includes strategic decisions and the marketing mix.

Overall, brand orientation is a certain type of corporate culture and a corresponding behavior. To sum up, our suggested conceptual model of brand orientation suggests that the cultural layer that consists of values, norms and symbols influences the behavioral layer that consists of analyses and activities (Schmidt/Baumgarth 2014). Naturally, we also expect an effect from the behavioral to the cultural layer but suppose that this one is weaker than the contrary one (see figure 1).

According to Baumgarth et al. (2013), Apple is a good example of a brand oriented company. Apple’s brand identity – characterized through attributes like user friendliness, design and lifestyle – would build up the starting point for any activity of the company. In contrast, Dell could serve as a counterexample. Their business model that is based on mass customizing and direct delivery could be described as customer or market focused.

3. A case-study approach to the model of brand orientation within the context of SEOs

Previous research underpins the relevance of the concept of strategic orientations for the analysis of different types of organizations. Surprisingly, previous research has extended the focus on classical companies only to include non-profit organizations (e.g., Napoli 2006; Ewing/Napoli 2005; Hankinson 2001a, 2001b, 2002; Balabanis et al. 1997) without considering the specific context of an SEO. The works of Ma et al. (2012) and Schmidt & Lückenbach (2013) are an exception to this. Ma et al. analyzed the effect of entrepreneurship on market orientation in the SEO context. Their empirical study confirms that market orientation has a positive effect on public performance and job creation. The positive relationship between entrepreneurship is only partly supported. The qualitative study of Schmidt & Lückenbach, based on interviews with social entrepreneurs, showed that brand orientation is a relevant strategic orientation to at least some of the successful SEOs.

The records in writing of 16 of these interviews that took part from June to September 2013 have now been re-assessed and newly interpreted. Additionally, the information given by the interview partners was updated in those cases where further data was accessible. One additional interview with a social enterprise took place in June 2014. Table 1 provides an overview of the SEOs included in the renewed analysis. In all cases, interviews were held with
members of the founding boards of the SEOs. Our intention was to determine if the model of brand orientation described in Figure 1 could be applied to SEOs.

Table 1. Overview of the SEOs included in the analysis (in alphabetical order).

| SEO                        | Founded in | Area of Business                                                                 |
|----------------------------|------------|----------------------------------------------------------------------------------|
| abgeordnetenwatch.de       | 2004       | Transparency and accountability in politics                                      |
| arbeiterkind.de             | 2008       | Support of pupils and students in non-academic families                           |
| Béliya                     | 2012       | Education of children in developing countries, financed via design and sales of handbags |
| Bettervest                 | 2012       | Crowdfunding in project for energy efficiency                                     |
| Bookbridge                 | 2010       | Learning centers in rural areas of developing countries                           |
| Coffee Circle              | 2010       | Transparency and sustainability in the trade with Ethiopian coffee                |
| Dialogue Social Enterprise  | 1988       | Respect and tolerance for minorities                                             |
| Generationbrücke Deutschland| 2009       | Connecting the young with the elderly                                           |
| hofgründer.de              | 2008       | Succession planning and consulting for farmers                                   |
| Hundebande                 | 2010       | Resocialization for female prisoners                                            |
| Phineo                     | 2010       | Transparency and sustainability in the social sector                             |
| ProBoneo                   | 2013       | Intermediation of pro bono services                                             |
| Rock Your Life!            | 2010       | Build bridges between pupils, students and companies                              |
| Ruby Cup                   | 2011       | Education for girls in developing countries                                      |
| Talents4Good               | 2012       | Recruiting for jobs and projects with social impact                               |
| Transferis                 | 2013       | Cross-functional cooperation in the health sector                                 |
| Viva con Agua              | 2006       | Clean water and primary sanitary care in developing countries                    |

Table 2 shows selected results of our study. Taking a look at the cultural level of brand orientation, we found evidence that for most of the investigated SEOs, the brand plays a major role right from the foundation of the organization. This implies that their management places great value on brand management: the development of a strong brand is one of their top priorities (the brand as a value). On the layer of norms, we could find out that all of the SEOs in focus possess individual and in most cases very specific and differentiating values that serve as their guiding principles. Furthermore, many of the SEOs expect that their employees „live“ the brand resp. the values of the brand or the company (the brand as a norm). Finally, at least some of the SEOs have outlined brand models or written mission statements. Some of them even use their employment ads to point what their brand stands for (the brand as a symbol).

On the behavioral side, instruments of analysis are not commonly used by the SEOs under consideration. Only some of the investigated SEOs review their branding concept on a regular basis – even by discussing it in internal workshops or by challenging it with the views of customers and/or other stakeholders. But there is plenty of evidence that brand orientation manifests itself in brand related activities: Brand management workshops with the participation of employees are a possible activity for brand oriented SEOs. As one could expect, corporate design and measures of integrated marketing communication are others commonly in practice.

Table 2. The exemplary application of the conceptual model to some of the SEOs interviewed.

| SEO                          | Brand related culture                                                                 | Brand related behavior                                                                 |
|------------------------------|---------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------|
|                              | Values (e.g. the development of a strong brand is a priority for the management)       | Analyses (e.g. the strength of the brand is measured regularly)                          |
|                              | Norms (e.g. brand related rules exist that have to be followed under all circumstances) | Activities (e.g. an integrated market communication approach is implemented)           |
| 1.                           | Symbols (e.g. visible branding elements like logo pins etc. exist)                    |                                                                                        |
| The brand and the corresponding values have been discussed right from the start | Defined Values: Close to the people, transparent, progressive, innovative, young       | The vision and the brand are continuously reviewed and further developed in workshops  |
|                              | A clear vision gives the guideline for every day’s work                               | Continuous discussion of the own values on a regular basis                              |
|                              |                                                                                        | Collaboration with an advertising agency and communication of the brand on different channels |
4. Conclusion

The considerations introduced in this paper followed three goals: First, we introduced the concept of brand orientation and related it to the context of social enterprises. Second, we discussed a general conceptual model in order to specify the cultural and behavioral characteristics of brand orientation. Third, we validated the model by means of case studies.

The data basis is still too limited to come to a final conclusion. However, looking at the results of our approach, we argue that the conceptual model of brand orientation shown in Fig. 1 is a good starting point to describe this strategic orientation in the context of SEOs. In a first step, the model could form a basis for measuring the degree of brand orientation of different SEOs. Hence, corresponding scales need to be developed. In a second step, the impact of brand orientation – compared with other strategic orientations (e.g., market orientation, entrepreneurial


| SEO |
| --- |
| **Brand related culture** |
| **Brand related behavior** |
| Values | Symbols | Analyses | Activities |
| --- | --- | --- | --- |
| 2. From the starting point of the organization, the brand has been discussed. The topic “brand” seems very important to management | Defined Values: Joy, enthusiasm, together/management thinks that employees play a decisive role in the positioning process of the company. When selecting new employees, the fit of the candidate to the organization is deeply considered. | A written down brand model exists | Workshop referring to the brand are regularly held with participation of the employees. Professional corporate design by long lasting collaboration with a graphic designer. Communication of the brand by PR, networking, speeches, website, individual approaches. |
| 3. At the start of the organization, thinking about the own brand and elaborating an individual profile has been regarded as very important. The initial high budgets for communication show the importance of the topic. | Defined Values: Making the difference, independent, trustful, cooperative, high quality. The value-oriented acting of employees – especially in situations of conflict – is seen to be very important. Line manager must be role models. | „Welcome folders“ and onboarding seminars for newly hired employees. Handbook for employees. The design of the visitors lounge is compliant to the brand. Usage of recurrent brand elements, e.g. color of the windows, big logo displays. | Weekly talks with employees in which brand related questions are addressed. Communication of the brand by website, publications, events, presentations, interviews, social media, PR. Professional design by an employee designer. |
| 4. The brand played a decisive role right from the beginning. Decisions about the Logo and the corporate design are considered to be very important. | Defined Values: Sexy, sustainable, social, strong. Employees are considered to be the face of the company to the outside world. Line manager must be role models. | A written down mission statement exists | --- |
| 5. The topic “brand” played an important role right from the beginning. | Defined Values: Professional, moral, enthusiastic, responsible, integer, inclusion, diversity. Management thinks that employees are decisive multipliers to make the values come alive. | --- | Communication of the brand by flyers, online marketing, Facebook, twitter, search engine optimization. |
| 6. The topic of brand management has, according to the organization’s founder, a huge importance. | Defined Values: Humorous, self-confidence, honesty, openness, approachable. Employees play an important role in managing the brand and are considered as being part of it. Employees must fit 100% to the organization. | Written down brand positioning. Logo pins. T-Shirts with the logo and the slogan. Diverse promotional items. | Social media monitoring. Feedback at events. Collaboration with professional graphic designer. Online-editor employed. Communication of the brand by an own social network, newsletters, homepage, Facebook, twitter, Xing, PR (e.g., a book that has been written). Media exposure. |

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orientation) – on the overall performance of an SEO could be measured. Last but not least, in order to measure how market, entrepreneurial and brand orientation influence the success of SEO, it is essential to identify moderators (e.g., characteristics of the enterprise, the founder(s) and the market) that affect the strength of the relation between these variables.

To sum up, the suggested model of brand orientation fills important gaps of the SEOs research and the overall research on strategic orientations. In addition to that, the model offers a spring board for a lot of future research projects.

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