



## Designing corporate brand experience in an online context: A qualitative insight<sup>☆</sup>



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### ABSTRACT

This study explores the dimensions and components of corporate brand experience in an Internet setting. Corporate brand experience (CBE), which is a source of a company's added value, could be an effective way to position a corporate brand in relation to the overall corporate marketing strategy. However, the concept of CBE has attracted very little attention from previous research, thereby our understanding of what the concept is and how to operationalize it is limited. Previous brand experience research is mainly focused on the conceptual understanding of brand experience itself, and/or the product brand level (rather than at corporation level). Understanding CBE is important because corporate brand equity (e.g. corporate image, brand loyalty) is dependent not only on how one is satisfied with the product (mostly addressed by functional/performance values of product), but also through the values of the corporation (corporate brand values). This study thus contributes theoretically to the corporate and online branding literature by proposing underlying new dimensions and components of CBE in an online environment. A series of focus group discussions (FGDs) with 32 online banking respondents informs the study. We identify five main themes and 26 sub-themes of corporate brand experience – corporate visual identity, functionality, emotional, lifestyle and corporate/self-identity. Financial service providers can address these dimensionalities during the process of brand positioning and when designing their corporate marketing in an online setting.

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### 1. Introduction

Generally, managing a brand in the twenty-first century is more complex than ever before due to the advancement in technology (e.g., businesses operating online) (Abratt & Kleyn, 2012; Balmer, 2012; Kaufmann, Vrontis, Czinkota, & Alvin Hadiono, 2012), faster innovation, growing competition, complexity and more demanding consumers (Kaufmann et al., 2012; Klaus, 2013; Maklan & Klaus, 2011). As a business moves toward globalization, shifting from marketing (product brand) to corporate branding becomes essential (Balmer, 1995, 2001, 2010, 2012; Hatch & Schultz, 2009; Kapferer, 2012). Marketing at the product-level facilitates brand differentiation from competing products; however, it is deemed less cost efficient and may result in the loss of potential synergies (Douglas & Craig, 2001). For example, positioning a product solely with values associated with product performance rather than values associated with the corporation may shorten the life of the brand differentiation (Balmer, 2001; Balmer & Gray, 2003). Therefore,

inducing corporate brand experience as a source of corporate brand differentiation will potentially sustain competitive advantage due to the ability to create long-term brand differentiation (Abratt & Kleyn, 2012; Morrison & Crane, 2007; Shultz & de Chernatony, 2002).

Brands at the corporate level, are not limited to the overall organization (Balmer, 1995; Balmer & Gray, 2003). A wide variety of corporate entities have brands including a myriad of stakeholders, the company's brand architecture and its brand hierarchies (Balmer & Gray, 2003; Douglas & Craig, 2001), as well as all the other associated companies, entities, alliances and subsidiaries in different countries, regions and cities (Balmer & Gray, 2003). These entities and subsidiaries, in some way or another, affect the company's corporate brand identity (Balmer, 2012; Balmer & Gray, 2003) resulting in more companies focusing on communicating their corporate brand values rather than the product brand values (Hatch & Schultz, 2009).

Today, consumers may not necessarily buy a product due to the values/principles addressed by the product brand alone. Rather, the values addressed by the organization (corporate brand value) become very important in the consumers' decision-making process and buying behavior (Harris & de Chernatony, 2001; Klaus, 2013; Maklan & Klaus, 2011); for example, consumers will consider the organization's good name and reputation (Argenti & Druckenmiller, 2004; Knox, 2004).

Corporate brand value is the brand promise of an organization (i.e., the covenant aspect of the corporation), which provides sameness and

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credibility about its organization to all its stakeholders (Balmer, 2012; Balmer & Gray, 2003; Knox, 2004). Consumers demand a great deal of information from a company before committing to a buying decision, thereby leading a company to show greater transparency and integrity when delivering its services (Rowley, 2004). In service type organizations, such as a banks, delivering such value as well as a consistent service experience is even more crucial (Klaus, 2013; Klaus, Gorgoglione, Pannelio, Buonamassa, & Nguyen, 2013; Klaus & Maklan, 2013; Klaus & Nguyen, 2013; O'Loughlin, Szmigin, & Turnbull, 2004) and may be rather complicated due to the variability of services by different employees (Hatch & Schultz, 2009; Klaus & Maklan, 2013; Klaus et al., 2013).

One way for a company to deal with this complex issue is by delivering the right values of corporate brand experience in an Internet setting. Providing a good experience online will influence consumers' online buying behavior (Da Silva & Syed Alwi, 2008; Klaus et al., 2013; Rose, Hair, & Clark, 2011; Rowley, 2004; Syed Alwi & Ismail, 2013). The Internet as a true global marketing communication and primary source of information is important as it influences the way businesses operate and people's lifestyles (Klaus et al., 2013). Klaus and Maklan (2013) suggest a need for new strategies and practices that address the challenges that businesses face today in an emerging connected world that is not only more interactive, but is community-centric rather than company-centric, and exploits the increasingly "rich data" on the internet. Understanding corporate brand value through corporate brand experience in the online setting thus helps to address the consistency issue of employees and the myriad of stakeholders in that it explains the meaning of the corporate brand value while simultaneously helping to mirror the complex issues of company brand (Balmer & Gray, 2003).

Schmitt (2000) and Rose et al. (2011) explain that for the success of the online brand experience, providing the right customer experience becomes necessary (Klaus et al., 2013); hence, a bank's corporate brand is not about its overall image but rather specific elements that require further exploration (Flavián, Guinalú, & Torres, 2005). Thus, a useful approach is to understand what dimensions and components make up the corporate brand experience in an online context (Abratt & Kleyn, 2012; Christodoulides & de Chernatony, 2004; Flavián, Torres, & Guinalú, 2004; Klaus, 2013; Klaus et al., 2013; Knox, 2004; Rose et al., 2011; Rowley, 2004).

Previous empirical research in understanding corporate brand experience is still limited, as, predominantly, it remains a conceptual discussion (e.g., Abratt & Kleyn, 2012; Alloza, 2008; O'Loughlin et al., 2004) that is confined to theories of brand experience at product brand level in an offline (Brakus, Schmitt, & Zarantonello, 2009; Chang & Chieng, 2006; Zarantonello & Schmitt, 2010), rather than the online context (Rose, Clark, Samouel, & Hair, 2012; Syed Alwi & Ismail, 2013), especially in the comparatively unexplored services sector (Brakus et al., 2009; Klaus, 2013; Klaus & Maklan, 2013). Balmer and Gray (2003) argue that understanding constructs at product brand level alone (traditional marketing) is insufficient to address the corporate brand construct. Schmitt (1999, 2009) proposes that due to the limited empirical studies of brand experience, "we know very little about how consumer experience the brand and how we can measure brand experience and ...need to develop the brand experience construct" (Schmitt, 2009, p. 418). For example, what does sensory, social, behavioral, cognitive and emotional experience (as proposed by Schmitt, 1999, 2000) really mean, particularly when marketing the corporation (corporate brand) is more relevant than marketing a product?

As a result, our understanding concerning (1) what constitutes corporate brand experience in the online setting, such as banking (see Klaus et al., 2013); (2) whether existing measures of brand experience are applicable to corporate brand experience in an online setting; and (3) what experiences or dimensions remain a challenge and must be addressed. As such, corporate brand experience is a vital concept as a strategic marketing issue as well as a source of value creation, and is fundamental in managing consumer interaction (Knox, 2004;

Morrison & Crane, 2007; O'Loughlin et al., 2004; Same & Larimo, 2012) in the online setting (De Chernatony & Christodoulides, 2004; Rose et al., 2011).

To address this issue, this paper aims to explore the conceptual meaning of the corporate brand experience through the guidelines contained within Schmitt's (1999) original brand experience concept. The study investigates the dimensions and components from the consumer's perspective. The findings of this study provide marketers with the knowledge to determine specific resource allocations in designing corporate brand online strategies and corporate brand positioning (Cowles, Kiecker, & Little, 2002; Greysier, 2009; Supphellen & Nysveen, 2001).

The remainder of the paper is organized as follows: first, Section 2 presents a brief review of the brand experience concept and corporate brand experience concept as well as in the online and services context. Next, Section 3 describes the methodology and Section 4 presents the results of the study, followed by the discussion, conclusions and implications of the findings. Finally, this paper highlights the limitations and suggestions for future research.

## 2. Literature review

### 2.1. Brand and corporate brand experience

Brand experience refers to a specific evaluation triggered by specific brand-related stimuli that occur when a connection – direct or indirect – exists with the brand (Brakus et al., 2009; Schmitt, 2009). Schmitt (1999) suggests that the concept of brand experience transcends Holbrook and Hirschman's (1982) the concept of feelings, fantasy and fun. Schmitt (1999) conceptualizes that brand experience consists of five dimensions: sensory, affective, cognitive, behavioral and social. The concept of brand experience is essential for managing corporate brand as it helps in positioning and corporate brand differentiation with respect to the product/service brand or company, and helps to explain how a brand/company can achieve or sustain its competitive advantage (Abratt & Kleyn, 2012; Keller & Lehmann, 2006; Morrison & Crane, 2007; Schmitt, 2000).

Schmitt (1999) guides marketers to a useful theoretical foundation concerning how brand experience is conceptualized using an experiential marketing approach. The author proposes a 15-item general scale of brand experience with five dimensions: sensory, cognitive, affective, behavioral and social. Brakus et al. (2009) extend the notion of Schmitt's concept by developing, testing and validating four dimensions: sensory, affective, behavioral and intellectual, while Sheu, Su, and Chu (2009) offer a 10-item measurement scale with five dimensions, similar to Schmitt's concept for the online game setting.

Nevertheless, such research mainly focuses on what is termed as stronger experiential brands (e.g., theme park, games, entertainment, retail coffee stores, and iPad) (Brakus et al., 2009) and a product-based level (Balmer & Gray, 2003). As a business becomes more globalized consumers are more demanding. For example, they may not automatically buy a product due to the value addressed by the product brand alone. Instead, the value that the organization (corporate brand value) projects becomes vital to the consumer's decision-making process in that the consumer will consider the organization's good name and reputation (Knox, 2004).

The corporate brand value is the brand promise of an organization (i.e., the covenant aspect of the corporation), which provides sameness and credibility about its organization to all its stakeholders (Argenti & Druckenmiller, 2004; Balmer, 2010, 2012; Balmer & Gray, 2003; Knox, 2004; Knox & Bickerton, 2003). Consumers demand in-depth information from a company before committing to a buying decision, thus leading a company to demonstrate greater transparency and integrity when delivering its services (Rowley, 2004). Thus, addressing corporate brand value through corporate brand experience is one way for managers to add better value in respect of positioning and differentiation (Abratt &

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