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Strengthen Brand Association through SE: Institutional Theory Revisited

Porngarm Virutamasen[a]*, Kageeporn Wongpreedee [b],Weeranan Kumnungwut[ab]

[a]Department of Sustainability Studies, International College for Sustainability Studies, Srinakharinwirot University, Bangkok 10110, Thailand
[b]Department of General Science, Faculty of Science, Srinakharinwirot University, Bangkok 10110, Thailand
[ab]College of Social Communication Innovation, Srinakharinwirot University, Bangkok 10110, Thailand

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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Keywords: Brand Association, Brand Image, Institutional Theory, Social Enterprise

* Corresponding author. Tel.: +662-260-2067
E-mail address: porngarm@g.swu.ac.th

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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'Olmo 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,