LEADING FOR THE FUTURE:
BRAND MANAGEMENT IN THE LEARNING CONTEXT

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ABSTRACT

In the changing environment a more holistic approach to brand management is needed. It should be based on the reflective approach in order to achieve customer-focused objectives. Brand management should be embedded in the whole company with elements such as corporate mission, values, culture, empowerment, and knowledge sharing representing the core elements of the branding framework. Learning company can be valued according to the following elements: HRM placing learning and experimenting as priorities, empowered individuals working in teams, corporate culture stimulating learning and knowledge sharing, managers serving as leaders, teachers, designers, and stewards that stimulate the introduction of the learning results in the value creating process. The article examines the interconnectivity between brand management and the learning company and develops a conceptual framework underlying the research, establishing the isomorphism between the two concepts what will contribute to the consistency of values conveyed through the brand but also to the brand longevity and increased organizational performance in general.

1. INTRODUCTION

There have been numerous references in the literature questioning the future of marketing. The focus on customer satisfaction as the basic principle of marketing still applies, but it has been argued that the way in which marketing is practiced may need to change fundamentally (Christopher, 1996).

The key issue facing CEOs today is how to add more value to the existing products and services in the environment characterized by increased commodization, faster innovation, growing competition and demanding customers. One way to achieve that goal is to add intangible values in terms of developing strong brands and therefore providing more value for customers. In the contemporary business customers buy brands rather than just products. A brand is a combination of features (what the product is), customer benefits (what needs and wants the product meets) and the values (what a customer associates with the product) (Pearson, 1996). Competition has therefore shifted from the core product features to the set of values offered through the brand. Brands have value because they add value. A value added may be functional, emotional

and/or symbolic. It has been claimed that anyone can manufacture a product. A brand is an entity that offers added value based on factors above the offerings functional performance. The combination of potential economic benefits and consumer interests suggests that managers should think carefully about brands from a strategic perspective (Schocker *et al*., 1994). The only way for companies to maximize the long-term value of their brand is to treat them like any other asset focusing on maximizing long-term value (growth) while still receiving short-term results.

2. HOLISTIC APPROACH TO BRANDING

There are very few companies that can offer a product or a service that cannot be found anywhere else. Advancements in the information and communication technology, its widespread application, and the wide access to the knowledge base have rendered it difficult for companies to build competitive advantages based solely on product differentiation. Brand building is the suggested way of adding value and ensuring customer loyalty through specific set of values and a sense of uniqueness. Styles and Ambler (1995) identified two philosophical approaches to brand definition. The first is the product-plus approach which views branding as an addition to the product. In this context, branding would be one of the final processes in the new product development, *i.e.* additional to the product. The second approach is the holistic perspective in which the focus is the brand itself. Using the marketing mix, a brand is tailored to the needs of a specified target group. The elements of the marketing mix are unified by the brand and the individual elements of the mix are managed in a way that supports the brand message. Holism is considered important for the creation of brand equity as it rejects practices such as discounting a premium brand for short-term gain.

Differentiation in the holistic approach requires positioning of the whole corporation, not just products. The specific product or service features stimulate the customers' interest in knowing "*who*" stands behind the brand. The consistency between brand features and the corporate reputation is therefore highly desirable. It can be noted that the marketing literature is experiencing a shift in the marketing emphasis from product to corporate branding. Corporate brands can increase the company's visibility, recognition and reputation in ways not fully exploited by product-brand thinking. Some marketing researches claim that a strong corporate brand has significant impact in creating positive consumer perceptions of existing products and new product extensions (Hatch, 2003) resulting in the consumers' buying decisions.

A corporate brand is more than an outward manifestation of an organization, its name, logo and elements of the visual presentation. Rather, a corporate brand encompasses the core of values that define it. A corporate brand is rare because it is a result of a unique historical patterns of development which suffuses a corporate brand, not only with a rich palette of characteristics that are functional such as quality, performance, familiarity and predictability, but also a myriad of ethereal elements that are rich in image as well as in symbolic terms (Balmer, Gray, 2003). Corporate branding may provide strategic direction for the organization's activities, providing consistency between brand building and working environment. More practically, the product's tangible features, such as packaging, labeling and physical form should be a reflection

of intangible features of the corporation. This scenario is even more relevant in the services sector. Corporate brands are of a major importance in branding services because strong service brands increase customer's trust in the otherwise invisible purchase.

3. INTERCONNECTION BETWEEN BRAND MANAGEMENT AND THE LEARNING COMPANY CONCEPT

Product branding is usually handled within the marketing department of a company. However, many of the value-adding processes in terms of corporate branding fall outside the remit of the marketing department. Given the changes in the environment and the branding process it seems evident that a more holistic approach to brand management is needed. Brand managers have to ask some of the following questions: what is the core of the brand, what binds the whole brand together, what are the salient attributes of the brand and do we have them in abundance, to what extent are they sustainable etc. The holistic approach requires managers to find answers to a series of questions such as: do we have the right core competencies to manage the brand in the desired way; how does this fit with the overall corporate competencies; who will be the company's competitors, past, present and future; who will be the company's partners; what strategic alliances, partnerships and networks should the company enter etc.

Corporate branding is gaining momentum requiring organization-wide support with the effects of marketing decisions visible throughout the organization. The process should encourage managers to think about different aspects of brand management, help them isolate major problems and indicate where action needs to be taken. The key strategic guideline directed at protecting the corporate brand from a substitute brand lies in the continuous improvement. It requires on-going investment in factors that create value and help differentiate the brand. The nature of these improvements is industry and brand specific, but almost certainly includes product and service performance improvements, innovation, design and style. The process of improvement entails the process of learning on all levels: individual, team and organizational. It is therefore suggested that brands, especially corporate brands should be built and maintained in the learning context. In other words, the best environment for brand building is the learning company concept with brand management embedded in overall organizational activities.

The idea of the learning organization has been developing like a mosaic with contributions from various authors. Learning organization is an organization that strives to create its own future and develops the process of learning as a mean to achieve that goal. It views learning as a continuous and creative activity, stimulates and facilitates the process of learning on the individual, team, and organizational level and is able to continuously transform itself to suit the needs and aspirations of people within and outside of the organization thereby creating its own future perspectives. The terms learning company and the learning organization are sometimes used as synonyms. The term learning company is a derivation of a learning organization philosophy and is more appropriate when discussing the corporate sector. It is suggested that the learning company is an organization, which is implementing

systems, mechanisms and processes that increase the ability to learn and achieve sustainable competitive advantages based on the results of learning on the individual, team and organizational level (Rupcic, 2004). Such a company constantly increases its ability to adapt and manage change. The holistic nature of the learning company concept is directed at bringing closer together the opposed parties of companies and employees, *i.e.* all stakeholders. The idea serving as a cohesive force between managers and employees is the process of learning.

The process of learning is gaining momentum in companies worldwide. Numerous case studies have shown the importance of organizational learning to performance enhancement. Baker and Sinkula (1999) have identified organizational learning as a major facilitator for competitive advantage, which can contribute to customer satisfaction, profitability and growth. The ability of a company to learn faster than its competitors may be the only sustainable source of competitive advantage because it enables the company to adapt to the ever-changing conditions in the market place. The importance of the learning process reflects itself in the most important output of learning: the desire and need to "do something". Therefore the process of learning serves as the facilitator of change.

Recent academic work has introduced a series of innovative concepts to the idea of branding. The suggested concept of branding in the learning company framework can be compared with the total brand management approach suggested by Tilley (1999) referring to the total quality management approach. The approach according to Tilley consists of three elements: the embodiment of meaning, eloquent communication, and response to change. Both total brand management approach and the suggested approach of branding in the learning context suggest that the branding actions should be embedded in all company actions, throughout the value chain, which is in contrast to the Porter's value chain approach that locates sales and marketing at the end of the chain. When branding is considered the value adding activity and/or the core business, the activities of marketing, advertising and branding are no longer categorized as supportive functions, but rather as the essence of an enterprise (Salzer-Morling, Strannegard, 2004). When there is a shift in focus, from tangible to intangible values, the core activity of a company is also shifted: from the production of things to the production of images. It can also be noted that some companies have increased their outsourcing activities, externalizing even the process of production and therefore freeing the resources for creation of images and infusing their meaning into the products. With the brand development the brand has become the marker of identification, but also a product in itself.

The starting premise of putting the branding process in the learning company context is the fact that the only successful way of managing brands, especially corporate brands, is the organizationally integrated, cross-functional way, which is also the underlying assumption of the learning company concept. It is this fact that makes the two processes virtually inseparable. The basic idea is that the whole corporation should be brought into corporate branding in the learning environment.
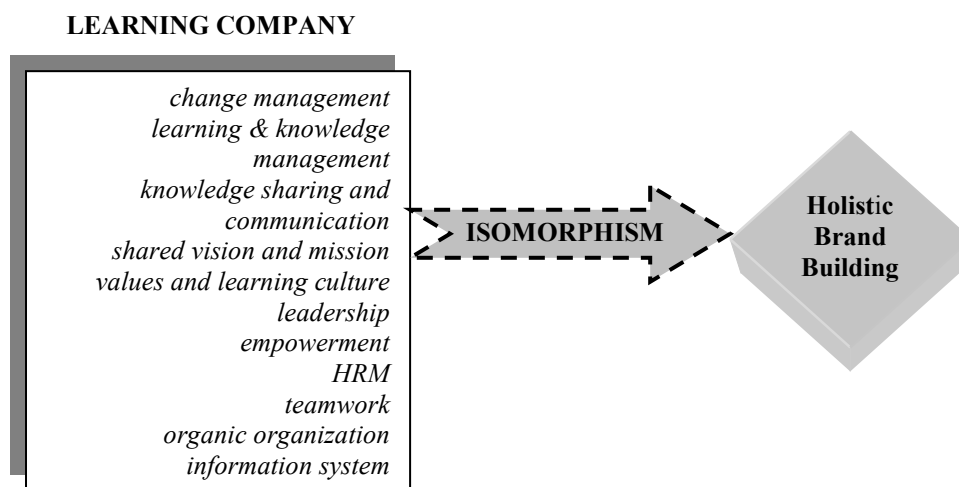
Since the concept of the learning company is still somewhat controversial and under scrutiny, especially in the field of strategic guidelines leading to the implementation of

that concept, any company willing to make a change in the way it deals with brands, especially its corporate brand should at least make brand management an integrated effort of human resource department and marketing department with the major difference that it should be led by top managers. Such approach requires a general shift in the marketing perspective from a narrow departmental approach to a broader cross-functional approach, positioning brand management as a value adding activity.

4. CORPORATE BRANDING IN THE LEARNING COMPANY CONTEXT

Strategic importance of corporate branding lies in its positioning in the marketplace, but also in creating internal arrangements to support the corporate brand management. A successful corporate brand is formed in the interplay between strategic vision, corporate strategy, organizational structure, physical design, culture, leadership and the corporate image held by its stakeholders. Successful corporate branding involves the integrated effort of all organizational departments supported by total corporate communication mix. Development of an integrated branding concept requires a learning environment that is best achieved within the learning company concept. Conceptual model underlying the research is presented in Figure 1.

Figure 1: Branding in the learning company context

LEARNING COMPANY

change management
learning & knowledge
management
knowledge sharing and
communication
shared vision and mission
values and learning culture
leadership
empowerment
HRM
teamwork
organic organization
information system

ISOMORPHISM

Holistic Brand Building

Brand management, especially corporate branding should embrace elements such as change management, knowledge management, learning culture, learning leadership, empowerment, teamwork, organic organization etc. The strategic guidelines enabling transformation of a traditional company into a learning company (Rupcic, 2004) serve as the underlying assumption of the model. The transformation process of a traditional company into a learning company requires a fundamental change that places learning and the collective mind-shift in its focus. The learning company can be developed

building the following elements: human resource management placing learning and experimenting as priorities in the working operations; individuals being flexible, proactive and empowered, working in teams, supported by the compensation systems that are long-term oriented and focused on rewarding the process of learning; adjusted corporate culture stimulating cooperation, trust, learning and knowledge sharing; managers acting as leaders, but also teachers, designers, and mentors that anticipate trends, determine knowledge gaps, and stimulate the introduction of the learning results in the value creating process facilitated by the IT system in the network organization.

4.1. Change management

In a changing environment, companies have to be capable of discerning environmental shifts and rapidly realigning their strategy and internal capabilities consistent with the environmental changes. Organizations must learn to continually anticipate changes and respond rapidly and decisively to shifts in the marketplace if they are to prosper over the long-term. Each relevant shift in the environment requires a corresponding real-time strategic response and a transformation of the company's capabilities (Eppel, Conklin, <http://www.gdss.com/wp/learning.htm>). The scope of this transformation includes changes in competencies, structures, processes, practices and tools in order to support the strategic change. The most discussed issue in the modern business has become the question whether managers genuinely believe that markets are changing, requesting the need for strategic change by the company or whether they will fight to retain the comfort and familiarity of the status quo, despite the evidence of change. The concept of the learning company is especially determined to permanently question the main business and market parameters and the overall business situation. The learning company concept is therefore an optimal framework where the risk of preserving the undesirable *status quo* is challenged.

4.2. Learning and knowledge management

New tendencies in marketing are fundamentally concerned with the added value creation based on knowledge and learning with the aim of finding a way for the long-term relationships with clients. To improve profitability managers need to understand the consumer behavior and attitude toward the brand. The most important task becomes learning and research to provide in-depth market understanding and gaining knowledge on consumers' buying patterns, purchase motivation but also changing trends in supply chains, technology progress, delivery improvements, leadership styles, organizational transformations and human resource development.

In order to learn or gain knowledge companies have to first gain data and transform it into information. Ways to provide data and information can be the process of benchmarking and/or environment scanning. The goal of environment scanning is to provide information for executives and planners to articulate the nature of the changes outside the company. The task is to brainstorm the events in the environment, which are currently developing and those, which might take place. The information search and use in organizations is complex and reflects many needs other than making better decisions. One fundamental need is to identify the critical knowledge gaps. To effectively manage knowledge, a company should detect and recognize the core or

strategically relevant knowledge. Strategically relevant knowledge is the key knowledge for the present and future business. It is the knowledge related to the core activities that is crucial in the value production.

4.3. Knowledge sharing and communication

The process of knowledge acquisition is not sufficient for a company to expand its knowledge base and gain the maximum benefits from the knowledge acquired. It must be supplemented with knowledge sharing and communication processes. They are vital in brand management because it is important to communicate the brand well to the employees. This means understanding the essence, identity and heritage of brands. If the brand idea is not well communicated the employees will not be able to identify themselves with the brand values and therefore won't be able to create the brand in an effective way.

Good communication between functions within organizations aids strategic management. The absence of such cross functional approach to brand management is likely to fragment leaving individuals with isolated insights, unrelated sources of added value and poor conceptualization of the critical challenges facing brands. It is evident that the effectiveness in problem solving is enhanced through effective internal communications throughout the organization. The communication effectiveness demands that the organizations recognize the employee importance and the two-way communication. Communication processes are also important because they can expand and improve brand relationships enabling companies to develop the interactivity with stakeholders. The effective communication with stakeholders is necessary because corporate branding is in its nature an external brand building process. While product brands mainly target customers, corporate brands contribute to the images formed and held by organizational and community members, investors, partners, suppliers and other interested parties.

It is evident that these objectives can only be reached through communication processes both inside and outside of the company, strongly supported by the knowledge sharing and employee identification with the brand and organizational values. This is also the underlying feature of the learning company concept. There is a common thread that runs through all disciplines of the learning organization and also through all organizations. It is discussing all sorts of things or in other words: conversation. Authors have been looking for a missing link that will lead to a successful convergence of all learning organization disciplines and enable more effective performance in the learning company. The much sought-after sixth discipline seems to be a foundation discipline based on conversation. Some authors call it Interactive Consultation (http://www.eclo.org/learner/number5/sixthdiscipline.htm). Interactive Consultation can be defined as a process of sharing thoughts and feelings through talking things out with others in an atmosphere of co-operation and harmony with a commitment to accomplishing some definite, common purpose. True consultation is the process that takes place in arriving at a decision.

For those organizations that are on their way to becoming learning organizations, Interactive Consultation can be thought of as the cement that binds together the other

five disciplines into a convergent, coherent and manageable philosophy. For those organizations that are beginning to implement the concept, Interactive Consultation can be a powerful tool with which to start the process, a disciplined approach with which to appraise the whole organization, its strengths and weaknesses, perhaps even its whole philosophy. This discipline has an appreciated value because it can be implemented as a stand - alone discipline in those organizations that have never heard of the term learning organization or learning company, and who currently have no intention of ever becoming one.

4.4. Shared vision and mission

Organizations need to develop a framework so that everyone can participate and contribute to growth and success, unveiling the blend of creativity, energy and ideas that organizations possess, but which often lays dormant in the minds of the employees. The learning company is trying to optimize such framework in terms that there is a collective understanding of the company's vision, mission, objectives and principles. The corporate vision is developed through interactions between employees. This leads to the so-called shared vision representing the general picture of the company and its actions, binding individuals around the common identity and purpose.

The principles of the learning company regarding the shared vision should be applied in the holistic approach to branding. Holistic approach to corporate branding can be suggested as a direction for the fundamental change in the marketing concept. The underlying approach to the holistic brand management is the understanding of the so-called brand persona. That implies the assessment of the state of the brand from a consumer-driven perspective, which includes understanding the identity of the brand, the possible differential perception and the degree of loyalty that customers show towards the brand. In a vision driven approach to the brand it is important to understand the concept of brand vision and mission. The brand vision serves as a projection of the brand into the future and is highly linked to the mission. It must be in accordance with the organization's vision. Strategic vision is the central idea behind the company that embodies and expresses top management's aspiration for what the company will achieve in the future. Companies build their vision from redefinitions of core values. A brand's mission can be described as the brand's fundamental reason for existence. If the mission is to function as a basis for the organization's brand building, it must have a foundation in the organization's value base. It can be concluded that if it is expected that employees understand the brand's vision and mission there must be a collective understanding of the brand's and the company's vision, mission, and principles developed through interactive consultations between employees what is especially nourished in the learning company concept.

4.5. Values and learning culture

Every corporation has a set of beliefs, which must always come before policies and practices. Such set of beliefs represent the company's core values. The organizational values direct the answer to the question what an organization stands for and what is it that makes it what it really is. The organization's values are the foundation of the

brand's core values. The core organizational values provide the guiding themes, which are used by R&D and design in building the core values into the product.

Organizations create their own individuality and distinctive features in order to distinguish themselves in the marketplace, which is often referred to as the corporate culture. Organizational values are deeply rooted in the organization's culture. Organizational culture refers to the internal values, beliefs and basic assumptions that embody the heritage of the company. Culture manifests itself in the ways employees all through the ranks feel about the company they are working for. If the corporate culture nourishes values such as care for people, responsibility, integrity and honesty it gives rise to the possibility that the customers will view the brand in the same manner. In the case of corporate branding, the alignment between perceived corporate image and actual organizational culture magnifies awareness among all stakeholders about who the corporation is and what it stands for, and enhances organizational attractiveness and reputation. The gaps between strategic vision, organizational culture and corporate image serve to identify key problem areas for corporate brands.

Organizational values nourished by the culture can promote or undermine communication, teamwork, learning, knowledge sharing and most importantly the drive for change. Ongoing monitoring and review process is necessary, moving toward a culture that values organizational learning as the most important organizational value and organizational competence. Organizational culture imminent to the learning company is determined to instill the need for change and learning as the most important values.

4.6. Leadership and empowerment

Until the early 1990s brand management was an activity primarily undertaken by junior brand managers, who focused on tactics, and regarded their positions as good training grounds and moved on after a short tenure (Low and Fullerton, 1994). Wood (1995) suggested that the management of brands should be a higher-level function than currently exists in many companies. Brands, especially corporate brands, are an important element of a company strategy and have become of a senior management concern. In contrast, product brand management is of a principal concern for middle managers and falls largely within the remit of marketing as a tactical function.

In order to effectively manage brands leaders should exhibit the characteristics of "learning leaders". The traditional view of leaders as special people who set the direction, make the key decisions, and energize the employees is deeply rooted in an individualistic world-view. In a learning company leaders' role differs from that of the charismatic decision maker. Leaders become designers, teachers, mentors, and stewards (Senge, 1990). These roles require new skills: the ability to build shared vision, challenge prevailing mental models, and foster systemic patterns of thinking.

According to Senge, it is fruitless to be the leader in an organization that is poorly designed. The first task of the organizational design concerns designing the governing ideas of purpose, vision, and core values by which people will live. The second design task involves policies, strategies, and structures that translate guiding ideas into

business decisions. Behind appropriate policies and structures are effective learning processes. Their creation is the third key design responsibility of leaders in learning organizations.

Leader as teacher does not mean leader as authoritarian expert whose job is to teach people the "correct" view of reality. Rather, it is about helping everyone in the organization, oneself included, to gain more insightful views of the current reality. The role of leader as teacher starts with bringing to the surface people's mental models. These mental pictures of how the world works have a significant influence on how we perceive problems and opportunities, identify courses of action, and make choices. Leaders as teachers help people restructure their views of reality to see beyond the superficial conditions and events into the underlying causes of problems, and therefore to see new possibilities for shaping the future. Specifically, leaders can influence people to view reality at three distinct levels: events, patterns of behavior, and systemic structure.

"The servant leader is servant first" begins with the natural feeling that one wants to serve. Leaders' sense of stewardship operates at two levels: stewardship for the people they lead and stewardship for the larger purpose or mission that underlies the enterprise. Leaders engaged in building learning organizations naturally feel part of a larger purpose that goes beyond their organization. They are part of changing the way businesses operate, not from a vague philanthropic urge, but from a conviction that their efforts will produce more productive organizations, capable of achieving higher levels of organizational success and personal satisfaction.

One of the most important leaders' tasks is to ensure the creative tension. The principle of creative tension suggests that an accurate picture of current reality is just as important as a guiding picture of a desired future. The natural energy and the driving force for changing reality comes from holding a picture of what might be that is more important to people than what currently is.

In the working environment described above both in the learning company and brand management the role of employees has changed. Mangers have become leaders carrying out new tasks requiring the overall employee participation. The words like trust, support, resources, learning, knowledge sharing and communication have become new buzzwords leading to the empowered employees. Authority as the legitimate use of power has given way to a dynamic process releasing the employee potential to assume their greater responsibility. Empowerment is more than delegation; it includes power given to individuals deriving from a number of sources including personality, resources, relationships, but above all expertise and knowledge. Empowerment can therefore be defined (Cartwright, 2002) as the process of releasing the full potential of employees in order for them to take on greater responsibility and authority in the decision making process and providing the resources for this process to occur.

Supported by resources and knowledge, employees have become involved in the process of strategic planning, strategy design, and vision modification. Integrative consultation and the discipline of dialog serve as a medium for idea exchange. Employees work as info importers and exporters and are capable of identifying the

customers' expectations and building them into working operations. It is therefore logical to include them in the process of determining the strategic guidelines of the company, which results in the so-called emerging strategy representing a set of employee opinions about what objectives should be achieved, with what resources and how to allocate them.

4.7. Human resource management

Human resource management is receiving a lot of attention in the learning company concept with the special focus on the employee participation. Learning company is trying to create a workplace where innovation, creativity, flexibility, learning, knowledge sharing and teamwork are prized. In such environment critical thinking can be seen as the central element in improving organizational performance (Brookfield, 1987). In that sense reflection and critical analysis are positive mechanisms driving continuous evaluation of the *status quo*, building a reflective mindset. Learning to reflect encourages people to take account of the complexities and responsibilities associated with a critical approach to problem solving.

The concepts of learning company and the branding perspective are shifting towards a business philosophy in which the entire organization is involved. The importance of employees in corporate branding and the need to better understand their behavior have received particular emphasis in recent work. The reason is simple: employees are the key to building relationships with all stakeholders. For both product and corporate branding employees' stance towards the company and the brand represents the crucial element in the brand building process. Employees have the vital role in the process of brand development as important players in conveying the brand message and instilling the brand spirit. This is the reason why brand management should apply human resource principles developed within the learning company concept. The employee's stance towards the corporation in terms of identity, pride and passion is a crucial element in the brand management. In this context, the term "brand reality" has been used to describe how branding processes and the knowledge base are interrelated and managed in conjunction with the employee's perspective (Macrae, 1999). This has particular importance for recruitment and evaluation of personnel, retention strategy, and the development and education of human resources.

Brand management requires a new approach to motivating people. The first and foremost motivational prerequisite is to enable that everyone in the business team understands what is trying to be achieved and what needs to be done. There needs to be a clear sense of direction and purpose. Berry and Parasurman (1991, p. 129) assure that internalizing process involves explaining and selling the brand to employees. It involves sharing with employees the research and strategy behind the presented brand, creative communication of the brand to employees, training employees in brand-strengthening behaviors, rewarding those whose actions support the brand, and involving employees in the brand nurturing.

Values that people appreciate the most are freedom, well-being, love, security, sincerity, openness, which also make the character of many brands. These are also features that people strive to achieve in their workplace and that contribute to

motivation. The appreciation of such values in the workplace by the employees will enable their more effective implementation in the character building of a brand. The missing link between corporate excellence and employee motivation is the process of learning. The amount of information and knowledge in products and services is the source of added value, competitive advantage and profits. Learning also enables employees to reach higher levels of the living standard but also provides the invaluable advantage of employability. It can be concluded that employees will be more creative in the failure tolerant environment oriented to knowledge sharing, socialization and teamwork granting employability, all of which are being built in the learning company.

4.8. Teamwork

Teamwork, especially team learning is one of the pillars of the learning company. The concept of teamwork can ensure ownership and commitment over actions and results. Cross-functional representation is especially important. A powerful and informed cross-functional team, which pools specialized expertise around a focused problem, can provide valuable insight. The restructuring of brand management to multi-discipline teams is gaining momentum. Brand management is becoming a team-based activity with senior level managers providing a strategic perspective. Managers from line roles and staff roles may bring very different insights and sources of intelligence as well as challenge conventional ways of addressing the branding issues. It is also advisable to profit from involvement of outsiders who can provide new understanding of the markets that may include suppliers, customers or experts from relevant research institutes and universities (Piercy, Lane, 1996). When the team consists of individuals from different departments alongside with external specialists it is unlikely that all have the same access to the company's internal information. Different external information further affects their views.

The activity of all team members must be directed towards a common goal. Team members must reach a common understanding of what a brand means and what approach to brand management should be accepted. All team members should be well acquainted with the desired brand's character in order to come up with correct assumptions about the work their department should undertake. The absence of the team cohesion likely results in individual incorrect assumptions about the work their department should undertake leading to sub-optimal efficiency. One of the major causes of different views causing sub-optimal efficiency between members of the brand's team is the amount of information to which they are exposed. Managers are confronted with large amounts of information coming from a variety of sources such as brand reviews, market research reports, promoting agencies, distributors etc. Brand managers, like every other person, build mental models containing sufficient information that enable them to stay on track. The limited cognitive capabilities lead to the fact that managers tend to select the information according to the existing mental models. It has been reported that people are attentive to information that supports their prior beliefs and are dismissive of information that contradict their beliefs (Brehm, 1956). The mental models managers rely on are free of complex details and enable simplifications based on the items', in this case brand's characteristics. Each individual builds his/her own mental models based on previous experience and the knowledge base the one is using. Team members bring along different backgrounds and therefore

engage in different simplification processes with different outcomes. Thus, even when the brand's team members are confronted with the same information, individuals tend to focus on the pieces of information that are connected with the information supporting their mental models reflecting therefore personal biases.

Learning company deals with mental models and personal bias by stimulating permanent questioning of the current mental models and building new ones on a new set of assumptions. Hence, the learning company environment will likely induce mental model reconsiderations and hinder the implementation of mistakes embedded in mental models that lead to failures in brand management.

4.9. Organic organization and information systems

It is evident that the internal communication in all directions is vital in the process of brand management. Some have already argued that the greater the contact between managers and individuals in general, the more likely it is that the diversity in their interpretations is reduced (ex. Porac, *et al*., 1987). Through open discussion, the strengths and weaknesses of brand approaches can be assessed and an agreed view adopted as to how a more coherent strategy can be implemented. This leads to the conclusion that effective brand management must be founded on the processes of socialization, communication and knowledge sharing. In order to achieve the highest benefits of such processes, it has been suggested that a company should implement the concept of the learning company.

Brand management activities require the organizational structure where information, questions and answers come across quickly. Those changes pose a demand on managers for organizational reconsideration. A profound change is taking place in many companies as they review the properties of the organizational structure that they have implemented. The traditional, functional organizational structure no longer serves its purpose. The more horizontal, flat organization, organic organization, oriented around the management of cross-functional processes is the answer to the changes in the environment. Is has become an imperative to break away from the constraining functional departments. In the horizontal organization, marketing is no longer a series of activities performed within a marketing department. In some companies that have made the transition towards the horizontal organization, marketing department has even disappeared.

The flood of information that brand managers are facing can be managed with one of the learning company's underlying elements: knowledge management and information systems that serve as a corporate memory and a learning facilitator. Apart from the quality of the information system contributing to the efficient information management, there is also one vital element: information accessibility. With the team consisting of individuals from different departments, in addition to external specialist advisers, it is unlikely that everyone has the same access to the company's information.

The requests and changes named above are consistent with the organizational changes necessary in the implementation of the learning company. Those are the basic assumptions for the structure underlying the learning company: it requires a flat

organizational structure with fewer management layers leading to a more of a network-structured company. One of the elements by which a company can be viewed as learning is the broad accessibility to information provided by the internal information system which gives room to an open-book management style of leadership. This fact also contributes to the convergence of mental models and views of individuals. In that sense the mere organizational change is not sufficient. It must be accompanied by the implementation of the information and communication technology that would enable the processes of business intelligence, benchmarking, learning, broad information accessibility and storage.

5. CONCLUSION:

In the contemporary business customers buy brands rather than just products. Competition has shifted from the core product features to the set of values offered through the brand. Marketing literature is also experiencing a shift in the marketing emphasis from product to corporate branding managed from the holistic perspective. The key strategic guideline directed at protecting brands from a substitute brand lies in the continuous improvement. The process of improvement entails on-going investment in factors that create value and help differentiate the brand or in other words the process of learning on all levels. A successful brand is formed in the interplay between strategic vision, corporate strategy, organizational structure, physical design, culture, leadership the corporate image held by its stakeholders. Development of an integrated branding concept requires a learning company environment with brand management embedded in overall organizational activities. Branding in the learning context should be seen as an integrated and innovative business process. In other words, brand management, especially corporate branding should embrace the underlying elements of the learning company such as change management, knowledge management, learning culture, learning leadership, empowerment, teamwork and the organic organization supported by the information technology. It is evident that the building of a desired brand requires a strong culture stimulating trust, proactivity, openness and mutual respect enabling the building and fine-tuning of the brand's functional capabilities, under the leadership of managers acing as teachers, mentors and servants to the empowered employees. A failure to understand the company's business, culture(s), identity, structure and the impact of environmental forces are among some of the most important elements which can bring about the brands decline or demise. Based on the presented isomorphism between the integrated brand management concept and the concept of the learning company it can be suggested that the learning concept is the most effective framework to achieve the highest potentials of brand development and the only framework that optimally enables the integrated branding concept.

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Leading For The Future: Brand Management In The Learning Context

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<u>ABSTRACT</u>

In the changing environment a more holistic approach to brand management is needed. It should be based on the reflective approach in order to achieve customer-focused objectives. Brand management should be embedded in the whole company with elements such as corporate mission, values, culture, empowerment, and knowledge sharing representing the core elements in the branding framework. Learning company can be valued according to elements: HRM placing learning and experimenting as priorities, empowered individuals working in teams, corporate culture stimulating learning and knowledge sharing, managers serving as leaders, teachers, designers, and stewards that stimulate the introduction of results of learning in the value creating process. The author examines the interconnectivity between brand management and the learning company and develops a conceptual framework underlying the research, establishing the isomorphism between the two concepts what will contribute to the consistency of values conveyed through the brand but also to the brand longevity and increased organizational performance in general.

CONCLUSION:

In the contemporary business customers buy brands rather than just products. Competition has shifted from the core product features to the set of values offered through the brand. Marketing literature is also experiencing a shift in the marketing emphasis from product to corporate branding managed from the holistic perspective. The key strategic guideline directed at protecting brands from a substitute brand lies in the continuous improvement. The process of improvement entails on-going investment in factors that create value and help differentiate the brand or in other words the

process of learning on all levels. A successful brand is formed in the interplay between strategic vision, corporate strategy, organizational structure, physical design, culture, leadership the corporate image held by its stakeholders. Development of an integrated branding concept requires a learning company environment with brand management embedded in overall organizational activities. Branding in the learning context should be seen as an integrated and innovative business process. In other words, brand management, especially corporate branding should embrace the underlying elements of the learning company such as change management, knowledge management, learning culture, learning leadership, empowerment, teamwork and the organic organization supported by the information technology. It is evident that the building of a desired brand requires a strong culture stimulating trust, proactivity, openness and mutual respect enabling the building and fine-tuning of the brand's functional capabilities, under the leadership of managers acing as teachers, mentors and servants to the empowered employees. A failure to understand the company's business, culture(s), identity, structure and the impact of environmental forces are among some of the most important elements which can bring about the brands decline or demise. Based on the presented isomorphism between the integrated brand management concept and the concept of the learning company it can be suggested that the learning concept is the most effective framework to achieve the highest potentials of brand development and the only framework that optimally enables the integrated branding concept.

Figure 1: Branding in the learning company context

LEARNING COMPANY

change management
learning & knowledge
management
knowledge sharing and
communication
shared vision and mission
values and learning culture
leadership
empowerment
HRM
teamwork
organic organization
information system

ISOMORPHISM

Holistic Brand Building