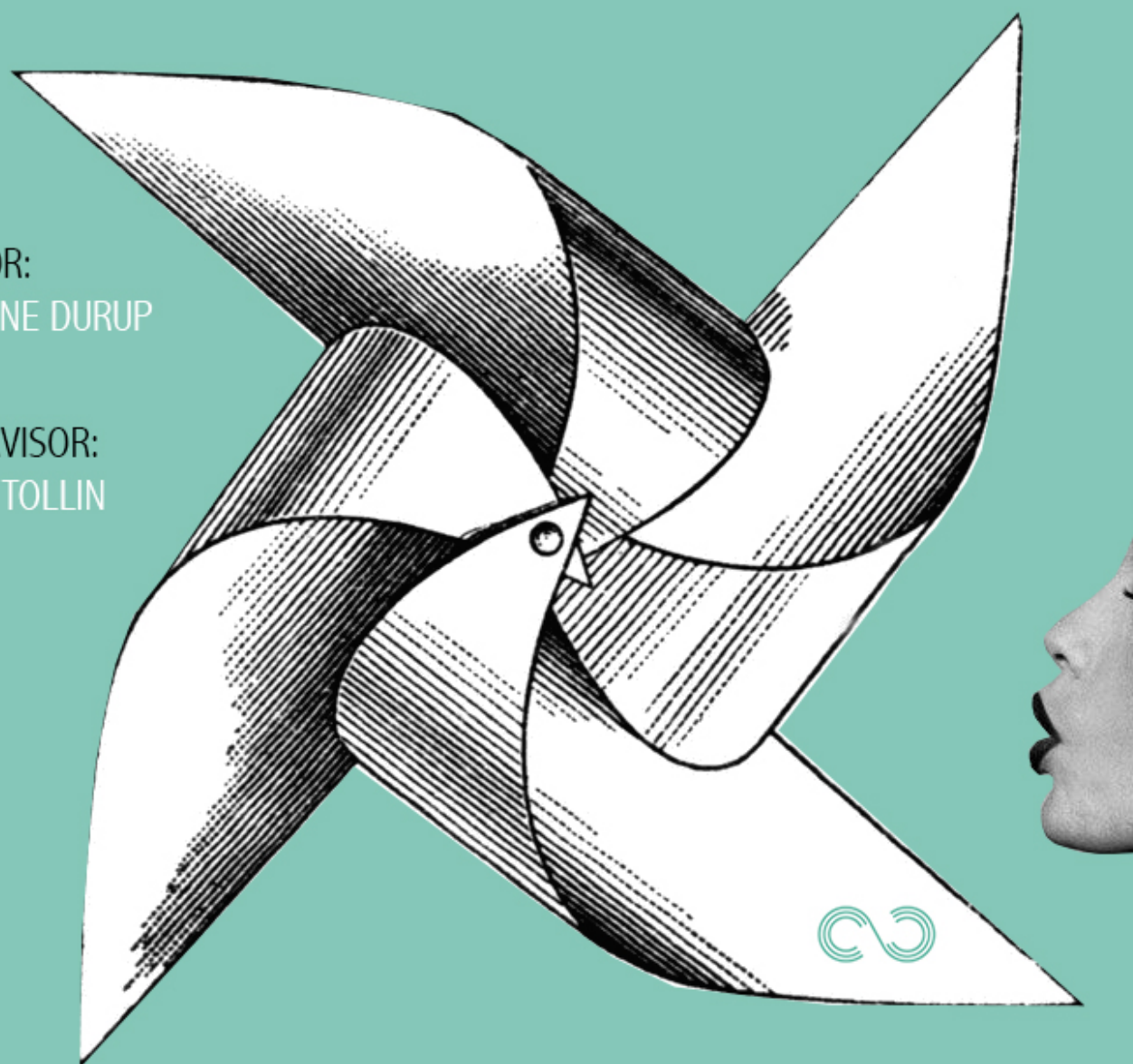# CBS COPENHAGEN BUSINESS SCHOOL

CORPORATE BRAND INNOVATION

A Master's Thesis Introducing Corporate Brand Innovation
Through Co-Creation

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"When the winds of change blow, some people build walls others build windmills..."
- Chinese proverb

Executive Summary

This thesis takes a focus on corporate brand innovation through co-creation. More specifically, the aim is to shed light on the fact that continuously innovating the corporate brand is as important as continuously renewing and innovating the product portfolio of a company.

The thesis departs from a comprehensive analysis of the academic fields of innovation management and corporate branding in order to show the developments of each perspective and how they appear to be crossing paths. It is found that the concept of co-creation stands as an evolving and important value orientation approach to successfully identify and implement innovation opportunities. However, when it comes to renewal of a company's corporate brand, the co-creation concept is barely taken up. In assessing the argumentation for bringing the field of corporate branding and innovation management together through co-creation, the thesis explores the basis of the co-creation concept as well as its underlying assumptions. The thesis argues that not only do the company and customers represent important co-creation elements; the context of these parties also plays a significant role in relation to value creation.

Subsequently, the thesis takes up a critical analysis of on one of the most recognized corporate branding models today, the VCI-model introduced by Mary Jo Hatch and Majken Shultz, in order to investigate how the concept of co-creation can complement this framework.

The thesis concludes by putting a new corporate brand innovation framework forward. The framework stresses the importance of enhancing engagement platforms within the company, customer and context spheres to allow for individuals to co-create unique experiences. The concept of co-creation allows for a more dynamic perspective of corporate brand innovation. Through a case study of BWA Yachting, the worldwide leader in marine services to the super yacht industry, the thesis exemplifies the usability of the corporate brand innovation framework. The implementation of the framework illustrates how a more nuanced and dynamic view on corporate branding may help BWA Yachting innovate its corporate brand. In closing, the thesis stresses that to effectively and efficiently managing a corporate brand integrating corporate branding with the innovation field is critical.

for Julian Madsen
wizard of waiting, dragon of dogs
without whom this thesis would have
been written in crayon

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1.0 Introduction

Innovation has for a long time been the catalyst to growth for a business. In fact it has been claimed that we are living in the 'innovation economy' (Davenport et al. 2006) where a specialized set of management knowledge and skills are required in order to gain competitive advantage (Tidd & Bessant 2009). Companies no longer need to invest in extensive internal research laboratories, and pair them with brilliant people, and then potentially wait for innovative products to emerge. Today, innovation requires a different strategic management mindset and must include business models rather than just technology and R&D (Chesbrough 2007, Davenport et al. 2006). Take the example of Netflix, the American provider of on-demand Internet streaming media. In 1999 the company managed to innovate a business model that once for all changed the movie renting industry as the company started offering online streaming to its customers. Neither did Netflix change the product of movies nor did the company invent a new technology to drive its business. What Netflix did was business model innovation and they did it well, counting more than 33 million subscribers today.

In the heart of any business model one will find the functions of *value creation* and *value caption.* Whereas value creation has to do with satisfying the customer, value caption refers to the value, mainly profit, the company gains (Chesbrough 2007, Osterwalder & Pigneur 2010). These functions are interrelated and equally critical in order to sustain the business. Within the last decade the view on value creation has evolved from being something the company creates and delivers to a view on value as something being co-created in relation with the customer. The concept of co-creation is rooted in the appearance of more connected, informed, empowered, and active consumers who seek to exercise their influence on every part of the business system (Prahalad & Ramaswamy 2004a, Prahalad & Ramaswamy 2004b). This has changed the traditional thinking of company-centric value creation as consumers want to interact with the company and co-create value. But while the emergence of the co-creation concept has made strategic managers tighten the focus on especially business model innovation many seem to forget what scholars claim is a company's most valuable asset: the corporate brand (Hatch & Schultz 2008). Simply think of Nokia, the world leader within mobile cellphones during the 90's. Nokia was unbeatable. They pumped out great, new innovative phones, year by year. They were the mobile phone pioneers and dominated the market for decades. From a technological point of view Nokia

understood the aim of 'connecting people'. However, their brand promise failed since they did not manage to understand that what the customer really wanted was a communication partner rather than a phone. And before they could even think of the word 'smartphone' Apple took over what Nokia had. Another example is Benetton, the once beloved and most talked about fashion brand. In 1990 the company could do no wrong. They had shock-value advertising campaigns that people talked about during lunch. Benetton's brand promise was providing European fashions at an affordable price. But the arrogance of the 'can do no wrong' brand quickly faded. While they were so busy expanding their business creating a business model of franchises and opening Benetton stores in almost every mall they forgot to bring the Benetton brand into the 21st century. On the paper, the innovating business model sounds promising but without a supporting corporate brand Benetton went from 'must have' to 'once had'. From this follows the question why innovation and corporate branding continue to be not connected when empirical examples like the ones above seem to illustrative the importance of connecting the fields?

1.1 Purpose of The Paper & Problem statement

Separately, the fields of *innovation* and *corporate branding* has been studied considerably over the last decade. However, the role of the corporate brand *in relation* to innovation has only been briefly addressed in the literature. Several empirical cases like the ones of Nokia and Benetton illustrate how companies focus on re-innovating their business models without innovating their corporate brands. Aligned with the view of Jensen & Beckmann (2007) arguing that companies in the 21st century are faced with the challenge of (1) being constantly innovative while at the same time (2) being expected to create an enduring and recognizable brand, a core argument of the paper is that in order to managing effectively and efficiently a corporate brand integrating corporate branding with the innovation field is critical. As will be presented during the paper, there are some central ideas, discussions and frameworks in the innovation management literature, like the one of co-creation that would be of value to the corporate brand management perspective. Thus, the purpose of the paper is to explore corporate branding in relation to innovation management through a co-creation perspective. More specifically the aim of the study is to shed light on the fact that continuously innovating the corporate brand is as important as continuously renewing and innovating the product portfolio and business model of a company.

Additionally, the ambition of the paper is to put forward a new corporate branding framework including the concept of co-creation - a framework that can help strategic managers in innovating their corporate brand. As described and illustrated later in the paper co-creation appears in the literature as an evolving and important value orientation approach to successfully identify and implement innovation opportunities. However, when in the corporate branding literature dealing with rejuvenation or the strategic development of a corporate brand, the co-creation concept is barely taken up. This appears strange considering the fact that the field of corporate branding during the last decade has come to a common conclusion that the brand no longer belongs to the company but to the consumer, that brand communities in many cases set the 'brand agenda', and that brand value is created within these co-created communities. In other words, this change in brand ownership and increase in empowered customers, call for a new perspective on corporate branding including the concept of co-creation. The paper seeks to adopt and address the following research question:

How to apply the co-creation construct when innovating a corporate brand and what are the arguments for and implications of doing it?

To ensure a comprehensive analysis of the research topic, the following sub-questions will be addressed, all contributing to the overall problem statement:

1. *What role does the concept of co-creation play within the field of innovation and corporate branding?*
2. *What are the arguments of aligning corporate branding with ideas and constructs from the innovation management literature?*
3. *What is missing within the current field of corporate branding?*
4. *How should a new corporate branding framework incorporate the concept of co-creation and which elements should be included?*
5. *What are the most significant strategic implications of a new corporate brand innovation framework?*

1.3 Delimitations

The main scope of the paper is limited to understand corporate branding and innovation management through a critical review of selected theory. One has to notice that the literature covering the fields of innovation and corporate branding are enormous. Consequently a selection of articles, researchers and academic viewpoints most relevant for the research topic is presented in the paper. In particular, mainly leading scholars and articles within each field has been included. Also, the paper performs the focus on one case company and one industry, namely the super yacht industry. This means that conclusions drawn might be limited and not relate to other companies and industries. However, it has to be noted that the main purpose of the paper to put forward a new corporate branding model useful for any company or industry.

Innovation management takes up one of the main theoretical fields of the research. Within the paper a focus on radical rather than incremental innovation appears. This is due to the fact that the potential and significance of corporate brand innovation only occurs when radical strategic innovations take place. Moreover, the case study of BWA Yachting is concerned with radical business model innovation. This means that incremental innovation is acknowledged and briefly presented but not the main interest of the paper.

2.0 Methodology

In the following chapter the methodology used in the paper is presented. The choice of case company and the methods used for the research will be explained. The chapter is divided into four sections. The first section describes the overall design of the research and how it has been conducted and justifies the choice of a case study as the main research design. The second section aims to explain the research strategy and in particular the paper's use of a qualitative research strategy and inductive theory approach. The third section involves the philosophical considerations and how they relate to the research whereas the fourth and last section discusses the overall quality of the research.

2.1 Research Design

A research design provides the researcher with a framework for the collection and analysis of data (Bryman 2012). Put differently, a research design is the string of logic that ultimately links the data to be collected and the conclusions to be drawn to the initial questions of the study. Literature on social research methods find that many different kinds of research design exist (Bryman 2012, Yinn 2009). Among others a case study design, which will be obtained within this paper. According to Bryman a case study *"entails the detailed and intensive analysis of a single case"* (2012, p. 66). This means that the research is concerned with the complexity and nature of a specific case in question. The case study as a research design is used to narrow down a very broad field of research into one easily researchable topic. In relation to the paper, BWA Yachting - the global marine agency company serving super yachts worldwide - has been chosen as case company and hence the unit of analysis of the study. In specific, BWA Yachting is used to exemplify a broader category of companies and thereby categorized as what Bryman calls a *representative or typical case* (Bryman 2012, p. 70). Within this type of case study *"the objective is to capture the circumstances and conditions of an everyday or commonplace situation"* (Yinn 2009, p. 48). Thus BWA Yachting has been chosen because the company epitomizes a broader category of cases and because it grasps a common tendency observed in today's businesses.

Exemplified through several cases in the beginning of the paper, the research process started based on a wondering of how literature on corporate branding and innovation management appears as two disconnected fields when examples seem to reflect the importance of bringing the fields together. From the examples presented it appears clear that renewing and innovating a company's corporate brand is as important as to continuously renewing the product portfolio and the business model. Elaborated further in the coming chapter, the case company BWA Yachting has come to a point where top management seeks to make a change in the value proposition and to target a different stakeholder segment. In many respects BWA Yachting represents the common oversight among companies overlooking the importance of viewing corporate brand innovation as crucial as business model innovation. For this reason BWA Yachting stands as the main representative and the case to be studied. Moreover, and clarified in the introduction, the ambition of this paper is to put forward a new corporate branding model combining the fields. Through the representative case study of BWA Yachting a new corporate brand innovation model will be tested in order to exemplify how a more nuanced view on corporate branding can help managers innovate a company's corporate brand.

It has to be noted that the choice of a case study as a research design does not come impeccable. Several researchers argue that one cannot generalize on the basis of an individual case; therefore the case study cannot contribute to a scientific development (Flyvbjerg 2006, Schell 1992). Based on this, it seems reasonable that the case study is considered most useful for generating hypotheses in the first stage of a research process. This means that conclusions drawn from the study not are perceived as final. Instead, the case study of BWA Yachting offers insights in a real-life situation, which can help to structure future research. Consequently, the findings from the study play an important role in advancing the knowledge base of the corporate branding and innovation management fields, which, I will argue, is not to be neglected. Moreover, it has to be noted that a case study can be very subjective. This is due to the argument that within a case study too much scope is given the researcher's own interpretations (Flyvbjerg 2006). I will argue that despite the fact that the researcher is left to rely on her own instincts and abilities a case study can result in a rich and in-depth account of a commonplace phenomenon. The case study illuminates meanings and extract findings not possible through other research designs.

2.2 Research Strategy

A research strategy is simply defined as a *"general orientation to the conduct of social research"* (Bryman 2012, p. 35). There is a tendency to associate case studies with qualitative research strategies because the qualitative research methods are seen as helpful in the generation of a detailed examination of a case (Bryman 2012). In relation to the research strategy chosen for this study no exception from the observed is made. I find a qualitative research method more suitable to gather insights about the research topic than a quantitative research method simply because qualitative researchers aim to gather an in-depth understanding of human behaviour and investigates the *why* and *how* of decision-making. In relation to this case study a qualitative research method aims to grasp the understanding of the current brand situation of BWA Yachting and how a change in the value proposition seems to affect the corporate brand. Based on this, identifying meanings and perceptions rather than statistical measurements as used in quantitative research strategies is asked for. The qualitative research method of the paper will take the form of in-depth semi-structured interviews with selected individuals relevant for the study. A further elaboration of the interviews and arguments for the selection process are discussed in the data collection section below.

Relating the research to theory the qualitative research strategy of this study is concerned with the generation rather than the testing of theories. This means that the qualitative method takes an inductive approach, where the researcher is moving from specific observations to broader generalizations and theories (Bryman 2012, p. 24). Instead of testing a theory, the theory is the outcome of the research. The paper aims to put forward a new corporate branding model based on observations and findings conducted through the research and in conclusive exemplify its applicability through the case study of BWA Yachting.

2.3 Research Philosophy

Social research is a process that involves human inquiry into some domain of interest. Different views on the nature of the research domain and the relationship to the inquiring actor are important to bear in mind when doing social research. The research philosophy is an important part of the research methodology in order to collect data in an effective an appropriate manner.

According to Johnson & Christensen (2005) the research philosophy of a study is based on a set of shared assumptions, values, concepts and practices that contributes to knowledge creation. In other words, factors like *epistemology* (reflections about the stance of the scientific approach and how the social world should be studied) and *ontology* (what is said to exist in the social world) are important to consider. An epistemological consideration concerns the questions of what is or should be regarded as acceptable knowledge. The qualitative research methods used in this paper align itself with interpretivism (Bryman 2012). From an interpretivistic point of view *"the subject matter of the social sciences"* (Bryman 2012, p. 28). Meaning that scientist are required to grasp the subjective meaning of social action. The research of this paper stresses the importance of understanding human behaviour and hence takes an epistemological position rooted in interpretivism. Another important aspect to bear in mind when conducting social research is the question of *"weather social entities can and should be considered objective entities that have a reality external to social actors, or weather they can and should be considered social constructions built up from the perceptions and actions of social actors"* (Bryman 2012, p. 32). These two ontological positions are referred to as objectivism and constructivism. From the perspective of this paper a constructivist position is taken. Constructivism implies that social phenomena are not only produced through social interaction but in a constant state of revision (Bryman 2012). Obviously, the research question of the paper includes *co-creation* - a concept literally grasping an underlying notion of 'something being created'. It is therefore assumed that social phenomena are produced through social interactions and not a pre-given factor.

2.4 Data Collection

In the following the data collection process and the arguments of selection are presented. I will discuss the theoretical data collections as the empirical considerations and why the data is relevant to the research. The theoretical data is used in the first part of the paper to clarify the relationship, or lack of, between the corporate branding and innovation management field and hence to put forward a new corporate branding model. The empirical data are gathered through seven semi-structured interviews and used in the case study of BWA Yachting and in particular to suggest how the company successfully can innovate its corporate brand.

2.4.1 Theoretical Data

The theoretical data sourced and used in the paper consist of mainly academic articles from leading academic journals and publishing houses. Based on the scope and purpose of the paper, the theoretical data is concerned with perspectives within corporate branding and innovation management. The process began by collecting and screening the literature to their relevance of the research topic. By using literature worked out by the main and most frequently cited scholars within each field a natural validity aspect appeared. Consequently, it must be acknowledged that the selected articles from leading academics have strengthened the answer of the research question. On the other hand, and to secure a broad range of theoretical discussion within each approach, a selection of very recent articles from less known scholars is also included in the paper. By including less recognized articles with a different view on the academic topic a wider scope of academic viewpoints was introduced. In some cases these viewpoints challenged the very determined perspectives of an approach such as the case with the co-creation construct.

2.4.2 Empirical Data

The empirical data of the paper was conducted through seven semi-structured interviews with people from five different countries covering six nationalities. Four interviews were made with top management and employees of BWA Yachting, two with current customers of BWA Yachting and one with the charter broker agency Y.CO. To get a broad perspective on the current situation of BWA Yachting, managements' wish for business model innovation and customers perception of the brand a wide selection of individuals covering top to down of the company and its main stakeholder segment was chosen. The interviews with the COO and marketing manager of BWA Yachting helped to clarify why a change in the business model is needed and how the view on the BWA brand appears from top management. The interview with the local agent based in Croatia and the country manager of France contributed to a better understanding of BWA Yachting and its services seen with the eyes of employees and how they define the value the company currently deliver. The findings from the two customer interviews shed light on how customers perceive the brand but also what customers seem to value the most and how the value creation process can be enhanced. Moreover, an interview with the charter broker agency Y.CO was conducted. Y.CO holds a great knowledge about super yacht owners and guests and through this interview a better

understanding of how the end customers define luxury was determined. An overview of the interviews can be found in the figure below. All interviews have been transcript and can be found in appendix A.

Date of Interview	Name & Role	Company	Nationality	Type of Interview	Length of Interview
July 25th, 2014	Julian Madsen, Marketing & Commercial Manager	BWA Yachting, Monaco	Danish	Face-to-Face	45 minutes
July 29th, 2014	Nikolaos Patsiokas, COO	BWA Yachting, Switzerland	Greek	Face-To-Face	45 minutes
July 30th, 2014	Barbara Tomic, Local Agent	BWA Yachting, Croatia	American	Telephone Interview	25 minutes
August 1st, 2014	Brieuc Audebert, Country Manager France	BWA Yachting, Monaco	French	Face-to-Face	45 minutes
August 1st, 2014	Richard Peacock, First Officer (customer)	Super Yacht Zenobia, Monaco	British	Face-to-Face	30 minutes
August 4th, 2014	Edoardo Spagnolo, Captain (customer)	Super Yacht Palmura, Antibes France	Spanish	Face-to-Face	25 minutes
August 4th, 2014	Chris Birkett, CEO & Founder	Y.CO, Monaco	British	Face-to-Face	30 minutes

Figure 1: Overview of Interviews

2.4 Quality of Research

Reflections about the quality of the research are important to address in order to evaluate the overall social research of the paper. The criteria of reliability and validity are essential to consider and will be discussed in the following.

Reliability is fundamentally concerned with issues of consistency of measures (Bryman 2012). This means that for social research to be reliable the research has to be dependable and the outcome has to be the same every time. In relation to the case study of the paper it is recognized that a qualitative study like the one of BWA Yachting being performed in the exact same way with the same results is quite unlikely. However, and despite the fact that respondents can have different stances depending on location, time and conditions, it is believed that the main conclusions drawn from the interviews will be the same hence the final outcome being the same. In order to obtain and increase the reliability of this study it has been in focus to make specific questions for the interviews.

Validity within research studies is concerned with the integrity of the conclusions that are generated from a piece of research (Bryman 2012). One issue on which a great deal of discussion is centred concerns external validity or generalizability of case study research (Bryman 2012). How can a single case and its findings be applied more generally to other cases? Since the research in this study only deals with one company and one industry the question is if the findings of the study could be generable to other companies and industries. It is important to bear in mind that case studies simply are a sample of one. Consequently, the findings in the paper are merely seen as a strong foundation to provide the basis for further research than determined outcome applicable to other cases. Moreover, internal validity is an issue to consider. Internal validity raises the question: can we be sure that connecting the fields of corporate branding and innovation management through co-creation causes companies to successfully innovate their corporate brands? As already touched upon it has been of great priority to base the theoretical analysis on mainly leading and acknowledged articles and scholars within each field in order to create an optimal foundation for constructing the corporate brand innovation framework and hence contributing to raise the validity of the research.

3.0 Case Company: BWA Yachting - The Worldwide Leader in Marine Services

In the following the case company BWA Yachting is introduced. All sections are based on information sourced and conducted from BWA Yachting but hence analysed by me. Consequently, the chapter reflects the current situation of BWA Yachting based on my interpretation and understanding of the case company and its position within the super yacht industry. First, a brief introduction to BWA Yachting is made in order to give the reader an overview of the company and its services and to briefly present the wish for business model innovation. Secondly, a presentation of BWA Yachting's current business model is visually illustrated through the business model canvas initiated by Osterwalder & Pigneur (2010). The business model originates from top management but is visually derived based on my analysis of the information gathered. Thirdly, a presentation of the somehow complex super yacht industry in which BWA Yachting operates is introduced to give the reader a more in-depth understanding of the many different players and services. Moreover, the section seeks graphically to illustrate the current value delivery position of BWA Yachting but also to present the new area of which BWA Yachting plans to enter and in this respect the new customer segment the company seeks to reach.

3.1 Introduction to BWA Yachting

BWA Yachting is the worldwide leader in marine services to the super yacht industry. The company's main services include berth reservations, yacht clearance and formalities, refuelling, freight handling, and fresh provision to super yachts visiting one of the 275 ports and marinas, in which BWA provides services worldwide. To date, the company has built the largest network of super yacht agents with presence in all major yachting destinations throughout the Mediterranean, Caribbean and the Americas. The company was founded in 2004 in London by the current CEO Stefano Tossiti. Today the headquarter is located in Lugano, Switzerland. The company's primary objective is to support the complex and demanding role of captain and crew, allowing them to deliver the quality and level of service required by owners and guests of the yachts. High performance and the sense for details are therefore essential when assisting super yachts from 30 meters up to the length of 120 meters. BWA Yachting tailors each service to the

individual needs of the customer – weather it is a fully integrated global package, the handling of a single port call or a last minute request. The starting point is typically booking of a berth in the marina, after which more service requests will follow. With a commitment to excellence, accountability and transparency, BWA Yachting attempts to provide a high-class service to captain and crew. All BWA Yachting offices are operated and managed by a team of local partners. Such a diverse range of locations, cultures, and people require a strong management team, which can guide the company in one consistent global direction. At the same time local knowledge and strong customer relationship between agents and captains must be protected as a dedicated personal assistance is of high value to customers. Narrowed down, the core business of BWA Yachting is to assist super yachts (captain and crew) with anything from fuel, food, and flower delivery. Every yacht is different requiring different services but also different levels of assistance. For this reason no fixed prices exist. When a yacht uses BWA Yachting the company charge a daily agency fee to be available locally 24/7 to deliver on service requests. The fee is based on the length of the yacht and days in port. However, the company makes 2/3s of their total margin on direct margins on services such as provisioning and booking requests. Thus, BWA Yachting makes most of its money when guests are requesting different services. Today the average global margin per client per year is EUR 10.000. On a yearly basis the company serves 1.000 yachts and clients but more than 3.000 individual yachts are to be found in the internal client database. That is more than half of the total amount of super yachts to be found worldwide.

Despite an increase in super yachts delivered since the 80's the growth does not respond the business growth expectations of BWA Yachting. During the last years, more marine agency companies have entered the market making competition strong and lowered prices on the services. It can be argued that marine agency services have become commoditized and difficult to market as something unique and as premium price services. Consequently, BWA Yachting has started to look for other areas within the industry in which the company could potentially use its existing resources and knowledge about the industry to growth the business. One of these includes exclusive concierge services offered to guests on board. Based on financial figures it has been noted that the profit of guest services currently offered by BWA Yachting is tremendously high. This is due to the fact that guest services are difficult to price. For example, the price of fuel

is based on a market price not to be discussed. So are most fresh provisioning requests and the price of a berth booking in a marina. On the other hand itinerary planning including a Michelin menu on a private beach full of penguins paired with an intimate concert with Beyoncé is more difficult to value and thus makes these kinds of services more profitable. For this reason BWA Yachting seeks to enter the market of luxury concierge services by offering tailor made guest services to owners and guests.

From the view of BWA Yachting an introduction of a new concierge concept is a necessary next step and a story that needs to be told. Not only to captains and crew but also to the industry's many charter brokers in order to target a new stakeholder segment. The idea is to change the value proposition from practical marine to include extraordinary guest services and through this broader and more exclusive range of services growth its business. The guest service opportunity lies in reaching out to charter brokers, family offices, PA's, or owner's representative, and to some extent also captains. Today, BWA Yachting is said to offer VIP concierge services including hotel and restaurants reservations, helicopter and jet rental, exclusive excursions etc. but according to management the company has not yet managed to truly exploit the business of luxury concierge service within the industry. In this respect it makes sense for BWA Yachting to consider how the company can tap into new value added services not aimed at the captain but rather the guests on board as well as the charter brokers responsible for planning the itinerary. In chapter 4.0 a more profound presentation of top managements' thoughts about entering the market of luxury concierge services is presented. Before introducing the reader to these empirical findings the chapter will continue with a presentation of the current business model of BWA Yachting and a brief introduction to the super yacht industry to clarify the role of BWA Yachting.

3.2 BWA Yachting's current business model based on the view of top management

To give the reader an overview of the core business of BWA Yachting a visual presentation of the company's business model is put forward. Based on my interpretation of top management's view on the business, its components and strategic links the business model has been visually created. The business model serves as a great way to understand the core business of BWA Yachting and how the company operates. Moreover, the business model helps to recognise the currently most

crucial links and components to BWA Yachting, which might be of interest and great to reflect upon later in the paper when the company's wish for business model innovation – *the introduction of luxury concierge services to owners and guests* - is more profoundly presented. The visual business model can be found in figure 2 and will be further discussed in the following.

The main customer segment of BWA yachting is the captain in charge of the vessel. The captain is seen as the gatekeeper to the business. He decides which agency to use and is responsible for the total experience of the owner or guests. By targeting the captain BWA Yachting also targets the main chef needing fresh provisioning, the chief engineer requesting spare parts and the purser or chief steward looking for optimal experience opportunities for the owner or guests. When asking top management what value BWA Yachting seeks to deliver the answer is that they seek to deliver top class marine services to help captain and crew to deliver the quality and level of service required by owners and guests. One can say that the value proposition is to help getting the job done through marine services tailored the specific needs of the yacht. Based on this, it can be argued that the stakeholder perspective of BWA Yachting is somewhat complex. From a day-to-day operational perspective the captain is the main stakeholder segment of BWA Yachting. Through him the owner and guests are reached. However, narrowed down to the core of super yachting the owners and guests exclusively define the value and level of service thereby turning these into an important stakeholder group likewise. As of today the end-customer – owners and guests – is not the main explicit focus of BWA Yachting when defining the customer segment. It therefore makes sense to view the services of BWA Yachting as a means to fulfil the total yachting experience of owners and guests rather than services with a specific isolated value.

The channels through which the captains are reached are mainly through printed media image campaigns in b2b magazines. Examples of these are The Crew Report, Dockwalk and Yachting Matters. Additionally, BWA Yachting soft-launched their official Facebook page in February 2014 due to an observation made by the company that the target customers are found on this platform. Further the use of e-mail marketing serves as a strong direct communication channel to reach customers and maintain customer relationship. Brand awareness is created though non-personal communication activities whereas point of purchase and upholding customer relationship is maintained through a more dedicated personal assistance. This includes hands-on marketing such

as the delivery of the welcome packages, the personal meet-n-greets of captains in the marina, the 'dock-walking' and daily deliveries by uniformed runners and agents. When looking at the revenue streams of BWA Yachting one will find two streams. The main income comes from agency fees, which BWA yachting charges to be available locally 24/7 to deliver on service requests. The fee is variable in the sense that it depends on the size of the yacht and days in port but is still seen as a fixed pricing model. A more dynamic revenue stream, but also the most profitable, is commission fees coming from booking requests and supplier delivery. The commission fee depends on the local supplier deal but also on real time market prices. This means that BWA Yachting gets a higher commission of food delivery during night simply because market prices are higher and more expensive resources are required. Not surprisingly for a service company the most important resource to BWA Yachting is human resources and in particular the physical presence and behaviour of employees in port but also their strong local knowledge about the region they are serving. In this respect both physical and intellectual human resources become crucial to the quality of services delivered by BWA Yachting. Another important resource are finances. A yacht typically does not pay for all the services before leaving the port. This means that BWA Yachting has to pay the suppliers for fuel, food and other services before collecting the money from the yacht management team. Moreover, the global BWA Yachting brand is an important resource to attract new customers and to keep existing ones loyal. As will be presented during the empirical findings, BWA Yachting has a strong global brand appearance among its customers making it a critical resource too. In order to make the business model running the key resources are turned into key activities where the most crucial activity of BWA Yachting is to assist, help, and solve any problem of the yacht. If the problem solving activities are managed well BWA Yachting operates successfully. Consequently, knowledge management is an important internal activity to make sure that employees are up to date with any new formalities, tax regulations or prices.

The complex business structure of BWA Yachting is formed through partnerships with the Italian marine agency Luise and the Greek marine agency A1. These partners operate all yachting activities in Italy and Greece. BWA Yachting is one of the main shareholders but the two companies are operated under individual names and brands in these two countries. Further, local supplier relationship is important to maintain in order to constantly being able to outsource

activities and to keep the cost of a local supplier deals down. The last block of the business model shows the cost structure of BWA Yachting. Employees, also being the most important resource, take up the main cost. The company currently pays 140 employees worldwide. On top of that marketing and sales activities also take up a certain cost of the budget.

Summarized, the business model of BWA Yachting shows that the core components of the model consists of the main customer segment being the captains, offered 'problem solving' marine services in order to 'get their job done'. The services and value proposition heavily rely on a dedicated employee staff holding a strong knowledge about port and region and who can maintain a dedicated personal relationship with the captains. Despite the fact that the end-customer – owners and guests – always define the total value of the yachting experience not much attention is given to this stakeholder group. It can be argued that owners and guest never are exposed to the BWA Yachting brand and for this reason the crucial element is to focus on captains and crew not owners and guests. On the other hand, and from my point of view, an attempt to communicate a focus on both stakeholder segments potentially creates a synergy affect not to be neglected – especially when it comes to BWA Yachting's later presented wish for business model innovation. From a theoretical and strategic innovation point of view the business model of BWA Yachting represent a business model constituted of a common managerial mind-set. As will be touched upon later in the paper, strategic innovation is about rewriting the rules of the game in order to create and capture value. In this respect it seems essential to BWA Yachting to redefine its business by asking; whom are we actually serving? Moreover, one has to bear in mind that business model innovation, at least in the most radical sense, requires a focus on all the core components of the model in order to successfully innovate the business.

Business Model Canvas: BWA Yachting

Key Partners
- AI - Greece
- Luise - Italy
- Local Suppliers

Key Activities
- Problem Solving
  - Assist, help, and solve any problem of the yacht
- Knowledge Management

Value Proposition
- "To help captains and crew deliver the expected"
- "Top class marine services, tailored the specific yacht"
- 'Getting the job done'
- Convenience
- Customization

Customer Relationships
- Dedidated personal relationship
  - Meet'n Greets
  - Dockwalking
  - Face-to-Face interaction

Customer Segments
- Niche Market:
  - Captains
  → Owner & Guests

Key Resources
- Human Resources
  - Knowledge
  - Service Skills
- Financial Resources
- Intellectual Resources
  - The BWA Brand

Channels
- B2B Magazines
  - Crew report
  - Dock Walk
  - Yachting Matters
- Boat Show Attendence
- E-mail

Cost Structure
- Employees
- Marketing Activities

Revenue Streams
1. Usage Fee / Agency Fee
   - Lenght of Boat x Days in Port
   - = Fixed Price Model
2. Comission Fee
   - Booking Requests
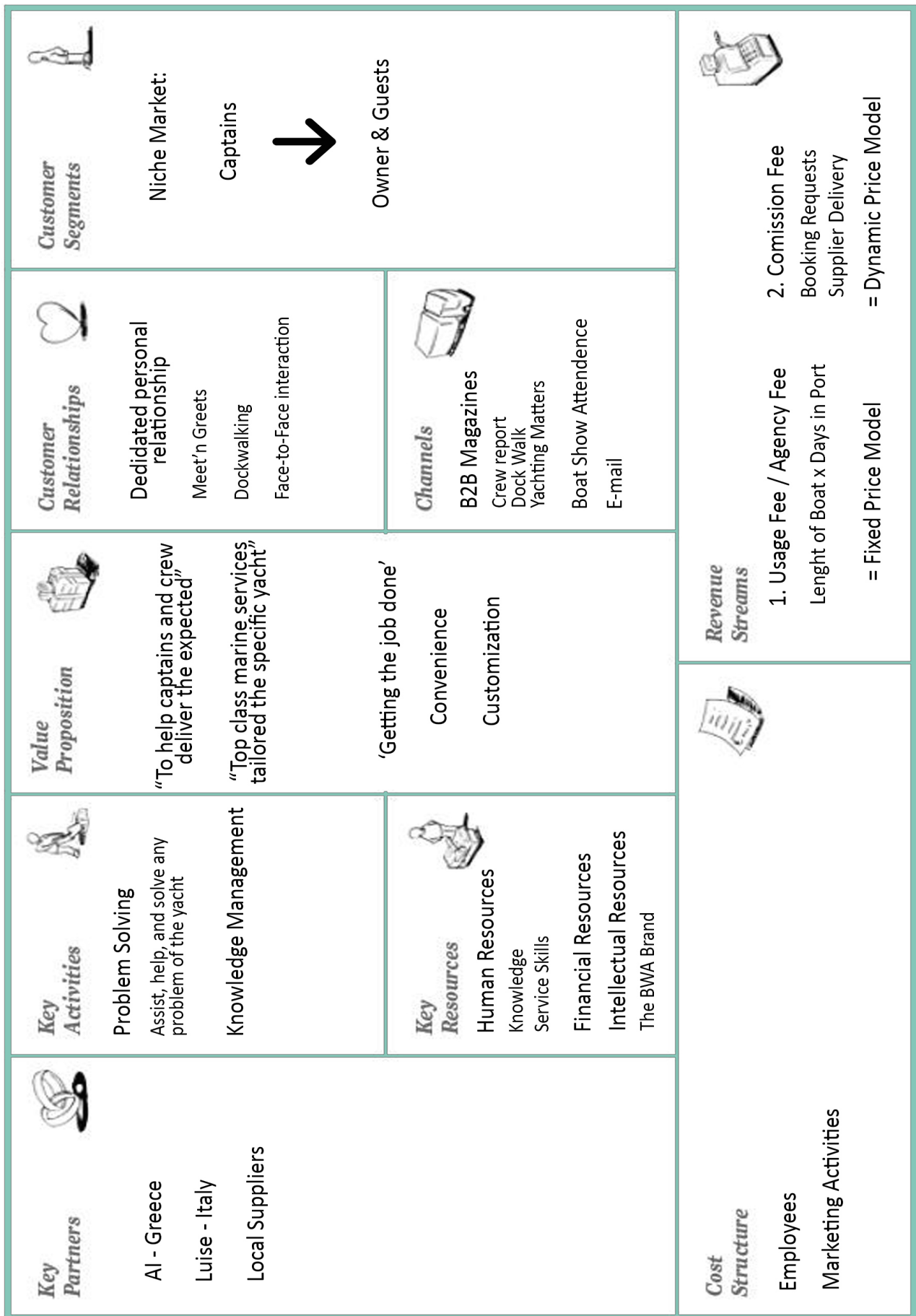   - Supplier Delivery
   - = Dynamic Price Model

Figure 2: The Business Model of BWA Yachting

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3.4 The Super Yacht Industry

The following presentation of the super yacht industry allows the reader to better understand the role BWA Yachting plays in the network as well as the background to the economy and different facets of the industry. The presentation is a brief introduction aiming to grasp the most important aspects of the industry.

The super yacht industry is unique, many would say quite unlike any other industry in the world. It involves many different players and contributed EUR 24 Billions to the local and global economy in 2010 according to the latest economic report on the industry (SuperYacht Intelligence 2012). Since the 80's there has been a progressive growth of super yachts counting a total fleet of almost 5000 by the end of 2013 (The Super Yacht Report 2014). The Super Yacht Intelligence Agency defines a super yacht as being 30 metres or more. Each and every yacht is 'made to measure' partly or in full, to the requirements of a given client. In 2013 the biggest super yacht to date was delivered to its owner Sheik Khalifa bin Zayed al Nahyan taken up the length of 180 metres with a cost of USD 600 million. Obviously, the cost of a super yacht is expensive in itself. Likewise, running and maintaining the yacht is a costly affair. Depending on the size of the yacht the total average expenditure of a super yacht per year goes from EUR 1.200.000 to EUR 5.600.000 whereas crew, fuel, insurance, and technical equipment, count for the biggest expenditures. The primary owners of luxury yachts come from Europe taken up 55% of the total market. However, narrowed down to specific countries Russia leads the super yacht ownership counting 14% of the total market (The Super Yacht Report 2014). A crucial ingredient of successful super yacht operations is the crew. It is a standard practice to keep a super yacht crewed all year round. To help offset the running costs many yacht owners choose to rent or, what is termed, chartering their yacht for charter holidays. Promising luxury beyond comparison, a super yacht charter affords the guests an extreme level of security and privacy: a means to escape the masses and complexities of everyday live.

The super yacht industry and in specific how BWA Yachting contributes to the value chain is important to be clear about in order to understand the current position of BWA Yachting but also the coming on through business model innovation. As briefly presented in the above section BWA Yachting seeks to target a new customer segment in the near future thereby starting to grasp a different area of the industry than what has been the main focus of BWA Yachting until now. Thus,

it makes sense to present the reader to the different areas, the many roles and value delivery positions that take up the super yacht industry. To come across the many different players and how they contribute a graphical illustration clarifying the network is presented in figure 3 and further described and elaborated below.
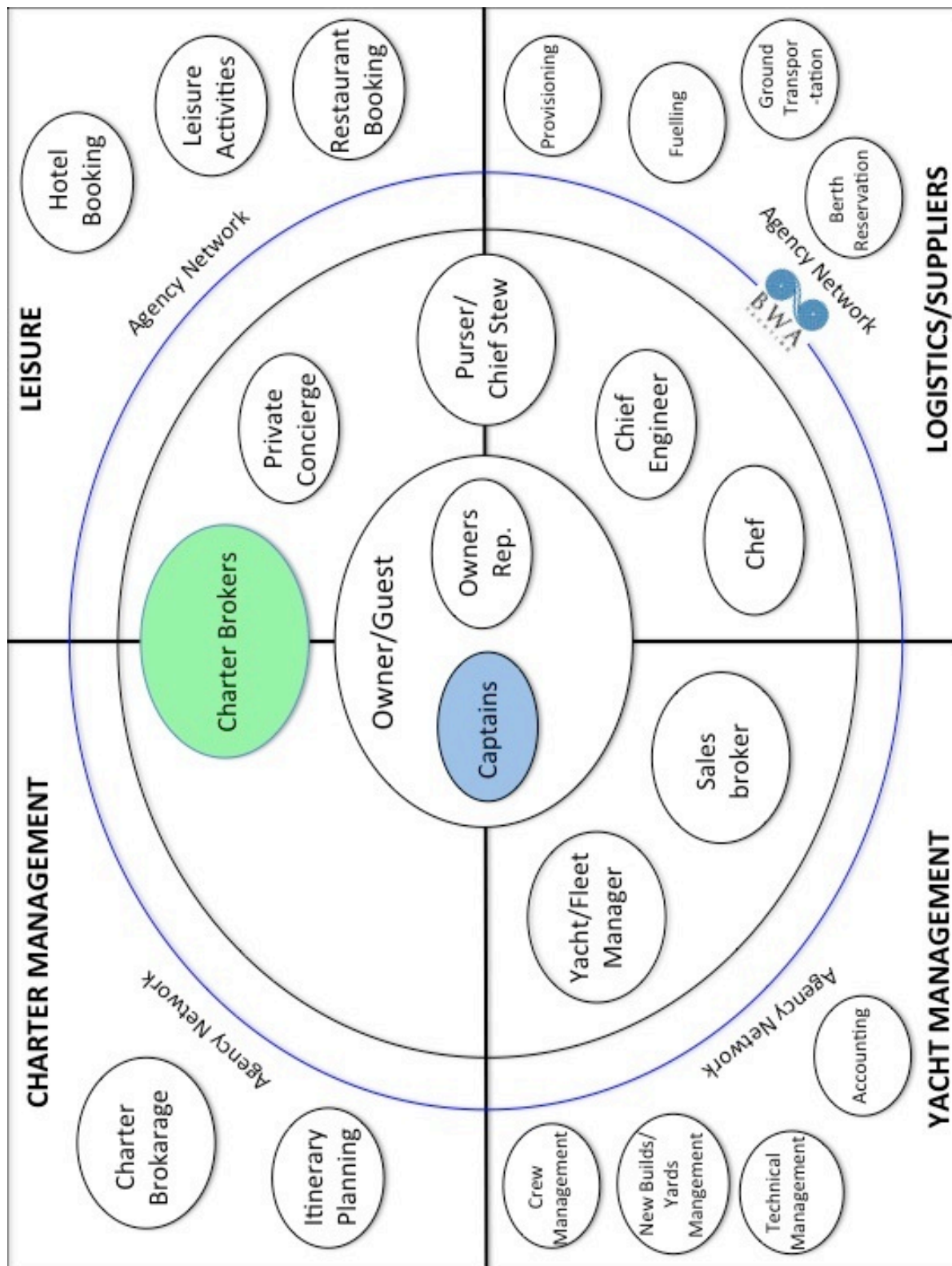
The figure shows the super yacht industry illustrated through a matrix of four different business areas including yacht management, charter management, leisure, or logistics. Moreover the main and most significant players such as the captain, chief stew, charter brokers, sales brokers, fleet managers etc. are presented including the services they provide. The bubbles surrounded by the rings represent a role or a function whereas the bubbles placed outside the rings represent a service.

The core of the industry consists of the yacht and its owner. In close relation to the owner (or the guests when chartering) are the captain and owner's representative. These are the gatekeepers to the owner and guests and are in charge of the daily operation of the yacht. The captain and owners' representative are surrounded by additional players operating within one of the four specific areas of the industry:

When it comes to owning a super yacht, the size, exuberance and power, luxury, design, performance and technical equipment require a certain level of technology and sophistication, and therefore stringent management, including security and safety measures. Most yacht owners use a yacht manager, often connected to a brokerage house, to ensure that all operations from accounts, refit and maintenance and crew hiring are taken care of. They provide the link between the owner, his captain and crew.

Another area of the industry is super yacht charter or charter management. If an owner chooses to let his yacht for charter holiday a charter broker is an essential stakeholder to deal with. The role of a charter broker is to organize the perfect super yacht charter for the client. In some cases this solely includes finding the right yacht in other cases it also includes itinerary planning and booking and planning of leisure activities.

Along charter management one will find the leisure area of the industry. Besides the charter broker, additional stakeholders such as a private concierge or in some cases the purser or chief steward take care of the planning of the many leisure activities such as restaurant and hotel booking and of-shore excursions occasionally organized in collaboration with a local agent.

The final ingredient in the super yacht industry, and the area in which BWA Yachting currently operates in, is the field of logistic and supply. A super yacht requires strong technical maintenance. A chief engineer is always linked to the yacht to make sure that technical issues are taken care of. Likewise, a head chef is always connected to the yacht preparing the many meals for

owners and guests. Within the field of logistic and supply BWA Yachting acts as a middleman to source the local suppliers for technical spare parts, food and fuel. As of today, BWA Yachting mainly provides services in this area of the matrix. However, the navy blue line surrounding all the players and stakeholders indicates that BWA yachting potentially could assist in delivering the services illustrated in all four areas – a potential BWA Yachting seeks to exploit in the future. The captain marked in blue is the current customer segment and the main stakeholder to BWA Yachting. Even though the captain is not the paying customer he is currently the main stakeholder of BWA Yachting. The captain serves as a gatekeeper to the business and only occasionally do BWA Yachting meet and speak to the owner or guests. The captain is in charge of the super yacht when cruising and only the captain decides which agency to use when in port. The charter broker marked in green indicates that BWA Yachting additionally seeks to target this stakeholder segment and in the future wishes to offer services in this area of the industry.

Summarized, the illustration of the super yacht industry gives an overview of the many operational activities required when owning a super yacht and the many different players the industry consist of. More importantly, the illustration shows the role of BWA Yachting and in which area the company currently deliver value. It is noteworthy that the company is placed in the logistic and supply area of the industry – an area crucial to super yachting but at the same time without the glamour and luxury appeal as with the area of leisure. In other words, despite BWA yachting operating within a luxury industry serving the super yachts, the company only indirectly serves the end customer – the luxury customer. It therefore becomes interesting to investigate further how BWA Yachting can expand its area of business and to dig deeper in the brand and business perception of top management, employees, and customers of BWA Yachting.

4.0 Interviews

The previous chapter has presented the reader to the case company BWA Yachting and its core business based on my understanding of top management's perception and narrative of the company. Within this chapter the empirical findings conducted through seven semi-structured interviews with top management, employees and customers are putting forward. In specific, the chapter will present insights on the wish for business model innovation, the current corporate brand situation seen with the eyes of top management and employees as well as customers' perception of luxury and BWA Yachting. The chapter ends with my critical reflections on the interviews paired with concluding remarks about the most critical issues to address seen from a corporate brand innovation perspective. The empirical findings will be used later in the paper to determine how BWA Yachting can innovate its corporate brand. All interviews can be found in appendix A.

4.1 Business Model Innovation: From Marine to Guest Services

One of the main reasons for choosing BWA Yachting as case in the study is the company's well-exemplified situation relating to business model innovation. This year BWA Yachting celebrates its ten years anniversary within the business of yachting. Many years serving super yachts have passed and to BWA Yachting this milestone marks the necessity to reflect upon the industry, its customers, and way of doing business. The marketing manager of BWA Yachting, Julian Madsen explains: *"When we look at the business we are in it is really all about leisure not marine. About having a good time while on board not getting from A to B. In this respect it makes perfect sense to consider how BWA can tap into new value added services not aimed at the captain but rather at the guests on board as well as the charter brokers responsible for planning the holidays"* (Madsen 2014). A reflection on what the super yacht industry is really all about is one side of the coin. Additionally, a great concern relating to profit has crossed the mind of top management and further pushed to the thoughts about business model innovation. The COO of BWA Yachting, Nikolaos Patsiokas states that the company has discovered great findings in the recent service segmentation report covering the current guest services of the company: *"It was very obvious that some offerings and hospitality services codes were extremely profitable, like event management for example, because the cost was very low"* (Patsiokas 2014). On top of that, and yet another

argument to start offering luxury concierge services, stands the tendency towards viewing marine agency services as a commodity rather than a 'not-easy-to-imitate-task'. More players have entered the industry and contributed to a decrease in the prices of the services. Julian Madsen explains: *"Marine services targeted at the yachting market are experiencing increased competition and commoditization and at the same time they are mostly targeted towards one decision principle being the captain"* (Madsen 2014). From a top management point of view it seems difficult to differentiate the current services and to keep them profitable in order to sustain the business. In fact, and according to the marketing director, the company's only alternative to stay relevant *"will be to evolve our services and our brand in the direction of lifestyle management and leisure travel"* (Madsen 2014).

When asking top management about what BWA Yachting in specific seeks to offer the answer is*: "In specific, we are looking to support the planning of the cruise from an itinerant point of view. This means tailoring the individual guest itineraries: which islands to see, which beaches to visit, which restaurants to eat at and when to go and where"* (Madsen 2014). Basically, BWA Yachting seeks to enter the market of exclusive concierge services and to start reaching not only owner and guests but also charter brokers, whom many super yacht guests use when requesting concierge services today. However, it is important to top management to state clearly that the introduction of guest services has to be seen as a complimentary add-on rather than a renewing of the current value proposition. This means that the captains are still seen as a main customer segment that needs to be reached and whom BWA yachting continuously has to target. The COO explains: *"What we are trying to do now is to say to the captains; this service* (concierge service) *would make you look a lot better in the eyes of your guests and your owner because you have a partner, which sorts out all your other needs…"* (Patsiokas 2014). A change, or what is merely seen as an expansion, of the value proposition paired with a new stakeholder segment to reach consequently affects the brand and its promise. According to top management the experience the coming BWA Yachting brand promise will be delivering *"is something tailored and exclusive beyond the traditional meaning of the word"* (Madsen 2014). Moreover, the plan is to differentiate the brand by building the heritage around yachting. Julian Madsen further notes: *"We feel that there is a real opportunity to differentiate a brand in this extreme niche market and yachting has so many great*

heritage values that we might play with when creating the brand" (Madsen 2014). When asking what is required of the company to enter the market of luxury concierge services the answer is knowledge. However, a different and more subjective knowledge than the one of maritime services are required*: "…knowledge is key because subject to the preference you need to have a database of options in your head in order to combine the client reference with what can be done and remember that this is not static knowledge like the ports and the maritime services"* (Patsiokas, 2014). Knowledge grasping the understanding of what super high net worth individuals prefer is not an easy task, which top management of BWA Yachting is fully aware of: *"You need to be aware, that creating an experience is not everyone's cup of tea. Some people don't have the passion and they don't have the imagination to think that somebody wants to have dinner in a pool placed on a top of a mountain with eels in it to tickle your feet"* (Patsiokas, 2014). One solution to address this issue is to start involving the people who know the owners and guest the best, namely captains and charter brokers. It is recognized that these very often have a great insight in the end customers' luxury preferences why it, according to top management, seems essential to take advantage of especially captains knowledge: *"…we find that often the sum of captain experiences and opinions are even greater than our internal collecting experiences so why not utilize some of the online technologies that we have available to engage with our primary stakeholders?"* (Madsen 2014). However, it is currently noted that*"…the lack of digital marketing is restricting our ability to effectively engage with our clients"* (Madsen 2014).

4.2 Corporate Branding from the view of BWA Yachting's top management team

During the interviews it was critical to define the current corporate branding situation of BWA Yachting and how top management perceives brand. As the brand appears today the core values seen with the eyes of top management are described with words as *quality*, *reliable*, and *global*. COO Nikolaos Patsiokas states: *"When people see the BWA brand they expect some kind of quality and price. We are not cheap and we don't want to be cheap"* (Patsiokas 2014). The BWA Yachting brand is visible and strong within the industry because it expresses professionalism. However, top management has started to question the last 12 months of traditional approach to their branding and communication activities. On one hand BWA Yachting has successfully created brand awareness but at the same time the sole image focus has put a question mark on the degree of

novelty and the level of differentiation of the company's services. Moreover, top management claims that some stakeholders, namely the captains, consider BWA Yachting too much of a conglomerate without any personal touch. The COO of BWA Yachting states that the main problem of the brand today is that it is branded as a yachting agent. *"Being an agent is to some extent a very standard job which leaves BWA Yachting with an image of a practical assistant"* (Patsiokas 2014). The marketing director Julian Madsen further elaborates: *"Today our brand is a B2B brand. It is a service brand and it is a marine brand. It is hard to imagine that guests will come to appreciate this brand as a leisure and luxury brand any time soon"* (Madsen 2014). When asking top management about their understanding of employees' attitude towards the brand they are described as proud and dedicated: "*When you go to an office you will meet staff in uniforms proud to be part of the BWA family. You will see offices with logos, and when you write us an e-mail we will write back with a nice e-mail signature"* (Madsen 2014). However, when it comes to the brand culture among the employees and to what degree top mangement consider BWA Yachting as a strong corporate brand an additional perspective appears. Nikolaos Patsiokas notes that the corporate brand is not managed properly. BWA Yachting only has few elements of a strong brand culture and *"we have never had a training course for agents to represent the company"* (Patsiokas 2014). As presented in the case company chapter BWA yachting is a worldwide company with employees coming from different backgrounds. According to top management, being constituted of so many different cultures and locations makes it difficult to encompass one consistent brand voice. On the other hand, Julian Madsen notes that *"to dress such a challenge in my opinion entails the brand to encompass and embrace the variety of local cultures. We are in the business of selling itineraries to some of the most exclusive and exotic destinations this world has to offer. If we try to boil down our brand to something generic and stereotype I think we will fail"* (Madsen 2014).

Summarized, the perception of the BWA Yachting brand seen from management is global with strong appearance worldwide. However, and according to management, the brand is lacking energy and new thinking and it needs to depart from the traditional marine agency profile, which does not reflect what the company seeks to deliver in the coming future.

4.3 Corporate Branding from the view of BWA Yachting's Employees

When encouraging employees to define the BWA Yachting brand the local agent Barbara Tomic located in Croatia says: *"I would say it is professional. I would say it is connected and I would even use the word high-end. Not in an expensive sort of way but you know we are top players in the field"* (Tomic 2014). The brand and the country manager of France, Brieuc Audebert states: *"The brand is not to be discussed anymore. Everyone knows BWA…"* (Audebert 2014). According to employees the BWA Yachting brand differs from other marine agencies in the sense that no other marine agency in the world has managed to create a global agency network like BWA Yachting: *"The most important point is that we are a global company and that we have a database, which enable us to manage crew and exchange information and this is the most distinguish element in our company"* (Audebert 2014). Barbara Tomic confirms this picture*: "…compared to other agents we have a tighter more unified network and you can see that from port to port. You can see that from uniforms, to contacts, to you know everything"* (Tomic 2014). This leads to the finding out in which degree the employees of BWA Yachting feel they are part of something bigger. Barbara Tomic confirms that the employees enjoy being part of the team: *"In general working for BWA is satisfying - so many cultures and people"* (Tomic 2014). However, and in line with top management, it has been noted among employees how the many different cultures is a strong competitive advantage as a critical issue to address: *"The thing is that if you have many different cultures and experiences it is good if you can add some positive added value. But if you are not able to do this then everybody is working in their own direction - it is not good for the company"* (Audebert 2014).

Operating in the super yacht industry means serving end-customers with a strong desire for luxury. When asking employees about how BWA Yachting fits into this view it is noted that BWA Yachting, despite its less luxurious branding appeal, are able to grasp what is needed: *"We defiantly do understand the luxury desire. Even though we don't have the direct contact we have an indirect contact through captains and so. We are like the middleman"* (Tomic 2014). When asking if it would be of any value to make the BWA Yachting brand more luxurious, local agent Barbara Tomic notes *that "It would. But then at the same time when dealing with captains we cannot be luxurious with them. We have to be practical. We need to be, you know, affordable to*

them. Whereas to guests we need to be luxurious - a bit more glamorous" (Appendix A). This quote furthermore sheds light on the double role BWA Yachting currently possesses. On one hand the company is a middleman and a practical helper on the other, and of critical concern in the near future, BWA Yachting needs to communicate and position the brand in a more luxurious way when starting to offer exclusive concierge services to owners and guests. However, country manager Brieuc Audebert questions top management's plan about entering the market of guest services. According to him no external agent is needed for this job: *"Imagine if you call the Palme D'or at the Carlton hotel in Cannes and ask for a table for four for tonight, they will probably tell you, sorry we are fully booked. If the PA, first officer or a yacht owners right hand call and say I am Nicoline, I am the personal assistant of this jetsetter then they will say; yes, we have a table for you. So the point is that all our clients are rich people, some of them celebrities and royalties with no problems in getting a table"* (Audebert 2014). Moreover, Brieuc Audebert points out that holding a great local knowledge about hidden gems and more unknown places do not have any value to owners and guests: *"The rich people like to go to the same places because they think it is good value for money. It is good for their ego as well"* (Audebert 2014). However, this statement contradicts with the one of customers presented below.

4.4 Customers' perception of luxury and BWA Yachting

A better insight of how current customers of BWA Yachting (captains) perceive the brand and the services as well as how the new customer segment (charter brokers including owners and guests) understands the value of luxury is essential to present. From the interviews it is found that current customers of BWA Yachting in general are pleased with the company and the services they deliver. Moreover being global and present in all major ports is said to be of high value. Current customer Richard Peacock being a first officer on 'Zenobia' an 84-meter yacht located in Monaco describes BWA Yachting as friendly, helpful and committed. He further notes that *"…when you travel I will go into one of the BWA offices and I will speak to the girls and the guys and very often they say: Where are you going? To St. Tropez. Well, we have an office there as well. I know that they are present in many places. I don't look at their website. I just hear about it through word of mouth"* (Peacock 2014). BWA Yachting's broad network of local agents makes the image of the company very reliable. Edoardo Spagnolo, captain on a 50-meter super yacht located in Antibes explains: *"I*

always use BWA. They know how to deliver and they know me very well so it is always nice to deal with the same people. You skip the introduction part since they have all the information on the yacht" (Spagnolo 2014). Delivering what is needed in order for captains and crew to succeed is mentioned among customers when asking about the first brand impression of BWA Yachting: *"I think problem solver is the first thing that comes to mind. When I need anything or if the guests on board are requesting something BWA almost always deliver"* (Spagnolo). Richard Peacock further underpins this: *"The most important thing is that they give you what you want"* (Peacock 2014). Like top management and employees, current customers of BWA Yachting note that the many different cultures can have an impact on how the brand is perceived: *"They offer the same service but things are not always delivered in the same way. I mean eating at McDonald's in Singapore might not be the same experience in Italy. I think the same holds true for BWA"* (Spagnolo 2014). Richard Peacock explains that a different perception of the brand could be due to the different relationship each captain has with the many BWA Yachting agents worldwide. *"The relationship plays a big role in how you see the brand. If we started to visit some places more often our relationship will of course get better"* (Peacock 2014).

When presenting BWA Yachting's plan about exclusive guest services, current customers do believe it would add value to the already existing marine services *"…all of our guests go to restaurants, cocktail bars and shopping so if BWA could provide me and my crew with excellent information about new restaurants and places that would add value to their current services"* (Spagnolo 2014). Fist officer Richard Peacock, normally taking care of all concierge bookings for the guests, further notes that he could not book and plan without external help and *"this is where BWA comes into the picture"* (Peacock 2014). However, when it comes to dealing with exclusive concierge services it is not truly believed among customers that BWA Yachting yet possess what it takes to succeed: *"When you ask BWA about their recommendations they send a list of restaurants, bars and clubs and all kinds of places. The one thing they never now is what kind of people are they dealing with (…) So when they find the restaurants, the clubs the bars they might find it wonderful. But their wonderful might not be our (the guest's) wonderful"* (Peacock 2014).

When asking current customers how BWA Yachting can help captains serve the guests Richard Peacock notes: *"If anything I suppose that what they can do is to source their own restaurant, bars and so forth but they could also communicate with the crew. They could ask them how a certain booking was for the guests. Do some kind of follow up. Maybe ask if we did source anything ourselves. So basically you use the client to get information, which is free".* Moreover, Richard Peacock further elaborates on how interaction and an information sharing process between captains and BWA Yachting potentially could look like: *"A key thing could be that when you leave, finish up and pay your bill they could send an e-mail asking how did things go, how was our service, how we would rate it, how was the restaurants, the toy choice. In this way it gives people the chance to give their remarks"* (Peacock 2014).

With the new customers segment, which BWA seeks to reach it becomes essential to understand how this segment (owners and guests) understands luxury and in particular what they value the most when it comes to luxury concierge services. Charter brokers often take care of the itinerary planning of super yacht charter guests thus they have great experience with serving this segment and helping guests with concierge services. Y.CO is one of the most well known charter broker houses located in Monaco. In the following a presentation of the most noteworthy empirical findings on super yacht guests from the interview with Charlie Birkett, the CEO of Y.CO are put forward:

A general pattern among super yacht charter guests is that they like privacy. According to Charlie Birkett these people are some of the richest in the world and to share the chef or the best spot on the pool with other people is unthinkable*: "On your own private super yacht you will not find 'ordinary' people at the pool who might recognize you or disturb you. The people who surround you are people chosen by you"* (Birkett 2014). However, despite the fact that privacy plays a big role it is noted that many super yacht guests at the same time *"love to show off their money"* (Birkett 2014). They like to show friends and family that they are able to buy a Hermes Birkin bag and eating Michelin starred food everyday. Charlie Birkett further notes: *"So when you are wondering why they want privacy but at the same time attention you hit the nerve of super yachting"* (Birkett 2014). When asking about the concierge services offered by Y.CO it is noted that when charter guests request something in a familiar area the requests are often specific and the

bookings can be made easily. However, a tendency to visit new places has made concierge services more difficult to charter brokers that do not have an in-house concierge. For this reason an external partner is used for booking and information in the more less known places: *"A seafood restaurant in my head might not be the seafood restaurant a particular guest has in mind. For these kinds of requests we often use an external partner"* (Birkett 2014). Basically, helping super yacht charter guests with exclusive concierge services is not an easy task. Requests can be difficult to accomplish and very often they are made in the last minute: *"Very often we have to act like magicians or even Santa Claus, just without the costume. You know what I mean?"* (Birkett 2014). When asking about the term luxury in a more general sense and what luxury means to super yacht guests Charlie Birkett notes that the freedom when cruising a super yacht is a great luxury. One day guests request a visit to a secret Island in Greece. The next they want to take part in the Monaco Grand Prix. Charlie Birkett explains: *"To these people luxury is not just about experiencing a great service, restaurants or hidden gem it is about doing unimaginable things"* (Birkett 2014). However, to many super yacht guests, luxury is invaluable if you cannot show friends and family that you are able to spend money on luxury: *"…luxury is also about showing and telling similar people, like your friends, that you have been to this and that place"* (Birkett 2014). Thus, sharing luxury experiences with like-minded people are of high value to super yacht charter guests.

4.5 Critical Reflections and Concluding Remarks on Empirical Findings

Based on the seven interviews conducted for the case study, empirical findings covering insight about BWA Yachting seen from top management, employees and customers have been presented. BWA Yachting is a global company with presence in all major marinas worldwide. Thus, the professionalism and global brand identity is no longer to be discussed. However, the company's many locations, partners and employees - all constituted of different cultures and backgrounds - can make it somewhat challenging to create a holistic corporate brand involving everyone who is important to the company. The wish to enter the market of exclusive concierge services and consequently make a change in the value proposition raises a few concerns to take note of: Today, the core business of BWA yachting is to deliver mainly practical marine services. Services, which, according to management, are as unsexy as services can be. Paired with the fact that BWA Yachting operates in an industry calling for luxury, indulgence and extraordinary experiences

comprehensibly leaves BWA Yachting with a wish to not simply focus on the core business but to deliver exclusive concierge services to guests on board. It is noteworthy, but not of any surprise, that BWA Yachting due to the company's focus on marine services is perceived as a practical helper rather than a glamorous assistant. Consequently, it becomes essential to BWA Yachting to convince customers and employees that BWA Yachting is able to take a luxury position in the industry and act accordingly. This requires a change in external communication and marketing but also a change in the internal brand recognition to make sure employees can deliver the expected. Moreover and despite the argument that a first step to successfully reach owners and guests with exclusive concierge services is to focus on gatekeepers like captains and charter brokers it seems necessary and extremely critical to likewise focus and include the end-customer in the business model. However, BWA Yachting seems to ignore this perspective when presenting their plan on business model innovation. As presented through the interviews, customers view on luxury and what they value is important to consider and reflect upon in order to serve these ultra high net worth individuals.

5.0 Corporate Brand Innovation

In the following chapter the theory, on which the later presented Corporate Brand Innovation framework is based on, is putting forward. A comprehensive analysis of innovation management and corporate branding literature are putting forward. The aim of the chapter is to present to the reader how the fields of innovation management and corporate branding seem to have undergone the same development towards a strategic view based on social relations. However, and despite this finding, a lack in literature combining the two fields appears. This calls for a new perspective integrating the two. The chapter will depart from an analysis on innovation management including the concept of co-creation. Hereafter the literature field of corporate branding is presented before the chapter ends with a visual illustration of how the two fields seem to merge together.

The term *corporate brand innovation* is to some extent still new within the innovation and brand management literature. Besides the fact that both corporate branding and innovation management within the last 15 years have been challenged by a shift towards more empowered customers and a stronger stakeholder focus, the relationship between the two has only been cursorily addressed in the literature. This calls for a potentially new perspective that brings the two disciplines together in what I call *corporate brand innovation*. But what exactly is corporate brand innovation and how to make use of it? In order to get a deeper understanding of the concept and what it stands for it is essential to take a separate look at the term innovation and corporate branding. In the following a brief literature overview covering the two fields is presented. The overview aims to create a foundation for a more profound understanding of the term *corporate brand innovation* and the theory behind. The first part of the chapter takes a closer look at the term innovation and its taxonomies. The 4P model worked out by Tidd & Bessant (2005) stands as the main framework to introduce the different types of innovation and to clarify the difference between incremental and radical innovation. Hereafter, developments of innovation perspectives evolved over the last decade from mainly technological innovation to co-creation are presented. The second part of the chapter begins with a brief introduction to the field of corporate branding. It will argue for the choice of a couple of central references used to present the developments within branding perspectives. It can be argued that the presentation of the

developments take the form of a comparative analyze. The aim is to show the reader how co-creation has appeared to be the main value creation approach to manage innovation today and how a similar development within corporate branding illustrates a shift from company to customer brand ownership. However, despite an evolving common understanding of more empowered customers, the concept of co-creation is barely taken up in the corporate branding literature. The chapter ends with a visual presentation showing the relationship between developments in innovation and branding perspectives, which lead to the upcoming concept of *corporate brand innovation*.

5.1 Innovation & Innovation Management

Probably there are as many definitions of innovations as the number of supposed experts on the field. Back in 1985 Peter Drucker termed innovation as *"…the specific tool of entrepreneurs, the means by which they exploit change as an opportunity for a different business or service."* (Tidd & Bessant 2005, p. 66). 20 years later the American innovator and late co-founder of Apple Steve Jobs simplified the definition: *"Innovation distinguishes between a leader and a follower"* (Woo 2013). Essentially, innovation has to do with change, to spot opportunities and to take advantage of them before someone else. However, innovation can take different forms and functions why confusion about what innovation is and how to manage it still prevails among top management today. Typing in the question 'what is innovation?' in a Google search engine a total hit of 266 millions comes up. The businessdictionary.com defines an innovation as *'the process of translating an idea or invention into a good or service that creates value or for which customers will pay'*. According to Tidd & Bessant innovation has becomes such a critical task for companies, that *"unless an organization is able to move into further innovation, it risks being left behind…"* (2005, p. 6). Likewise, Davenport et al. claim that the drive to innovate is even more important in the innovation economy (Davenport et al. 2006). Within this,, successful companies will be those that transform information into value-creating knowledge, and in a clever way use this knowledge to innovate. In fact, knowledge asymmetries is seen as the best resource in the innovation economy.

From the view of this paper innovation is seen as *'those other dots that ones other miss'* (Brier 2013). This means that innovation takes the form of strategic connections not yet explored or

exploited by others. According to strategy expert and branding guru David Brier, life is made up of dots. Many, in fact most people, think that the dots they see everyday are all the dots in the world. This means that decisions and solutions within companies are based on only known dots. Some companies build their entire business on these known dots, which can be termed status quo or 'business as usual'. However, when someone see another dot beyond the commonly agreed dots - dots that others missed or dots that have been ignored - the innovation process start to emerge. It is these new dots that yet change everything and help companies to innovate their businesses. Sir Richard Branson has a mantra about this 'dot-thinking-view' that runs through the DNA of his companies. The mantra is A-B-C-D (Always Be Connecting the Dots). Within the innovation economy one of the main sources to connecting the dots are e-communication platforms and the Internet (Davenport et al. 2006). The global linkage of information online has made knowledge sharing easy and accessible. The result is industry value chains undergoing almost continuous innovation in products, services, processes, and business models forcing players to reinvent and adapt constantly. Another important innovation driver is the non-tangible sources of value. Innovation in processes, services and business models become as important as innovation in physical products. These new sources of value create unexpected connections and new possibilities for innovation managers. One last driver, which is of high interest to this paper, is the increase in empowered customers. No longer do customers accept simply to receive an already defined value from products or services – they want to take part in the value creation process (Davenport et al 2006). Including the customer in the innovation or co-creation process opens for new ways to connect the dots and innovate the business. As will be discussed later, co-creation is an important and common used concept within innovation management today. However, what seems less common is to use the concept in a brand innovation sense, which can give the company a clear competitive advantage.

5.1.1 The 4P's of Innovation

As already pointed out, innovation has to do with change, to spot opportunities and to take advantage of them before someone else. However, different types and degrees of innovation exist all contributing to the concept of corporate brand innovation. A first dimension to bring up is the type of innovation. Tidd & Bessant talk about the 4P's of innovation; a framework covering four

broad categories namely product, process, position, and paradigm innovation (2005). Basically one can say that the 4P's framework has to do with type of change and is asking the question: In which area of the business do we want to innovate? Perhaps the most commonly understood form of innovation is that which introduces or improves a product or service. In the case of BWA Yachting a great example of product or service innovation is the newly improved service package BWA$_{one}$. In relation to the company's 10 years anniversary this year a new agency package is introduced including a different and broader range of marine services like xx. More radical and 'new to the world' product and service innovations, like the introduction of the first super yacht charter in 1954, are often rare compared to incremental product improvements. Innovation can also focus on process through which products or services are created or delivered. Process innovation focuses on changing how something is done and not what is done. An example of process innovation within BWA Yachting is the not yet introduced 'berth-booking' site, which is still in its early stage of innovation. Inspired by the travel site expedia.com BWA Yachting is going to launch a website where captains can book a berth. Thus, the customer no longer has to contact BWA Yachting directly but in the future they can book a berth online choosing between marinas worldwide. The third P of innovation involves re-positioning the perception of an established product or process in a specific context. To be more specific, position-based innovations refer to changes in how a product or process is perceived symbolically and how they are used. In the case of BWA yachting position innovation is of high interest. Earlier in the paper it has been clarified that BWA Yachting does not simply want to be perceived as a marine agent company. Instead the company wishes to enter the market of leisure by introducing a luxury concierge service and thereby re-positioning its brand and business. When re-positioning a brand towards a lifestyle brand an intensive focus on branding is needed. What in specific is required of a luxury brand and how BWA Yachting intends to re-brand the company is discussed later in the chapter. The final 'P' relates to innovation that defines or redefines the dominant paradigms of an organization or entire industry. Paradigm-based innovations relate to the mental models which shape what an organization or business is about. Since paradigm innovation has to do with something radical, which has never been done it is hard to come up with an example from BWA Yachting. Nevertheless, it can be argued that paradigm innovation to some extent occurs. When looking at the entire industry of super yachting it is all about leisure not getting from A to B. By reframing the

way BWA yachting looks at the industry it encourages customers to look at it in the same way and thereby changing the face of what really matters within the super yacht industry.

5.1.2 The Degree of Novelty

The second dimension of change to consider is the degree of novelty within any type of innovation. Changing a marine service package to include a broader range of services is not the same as introducing guest services targeted a new stakeholder segment. Put in another way, innovation can run from more simple incremental innovations to more radical changes that transform the way we think (Tidd & Bessant 2005). For most companies incremental innovation is the most common type of innovation. That is minor adjustment, optimization, and getting the bugs out of the system. The ways, in which companies approach incremental, day-to-day changes differ from those used occasionally to handle a more radical change (Davenport et al. 2006; Tidd & Bessant 2005). For this reason, incremental innovations are seen as less risky than those of a more radical character. It is important to bear in mind that the degree of novelty is very much in the eye of the beholder. This means that an incremental innovation in one industry can be radical in another and vice versa. The four different types of innovation, product, process, positioning and paradigm, and the degree of novelty running from incremental to radical are mapped out in the innovation space (Figure 4). The area indicated by the circle is the potential innovation space within which a company can operate. A company can explore and exploits all or some of the space. This is a question of the innovation strategy.
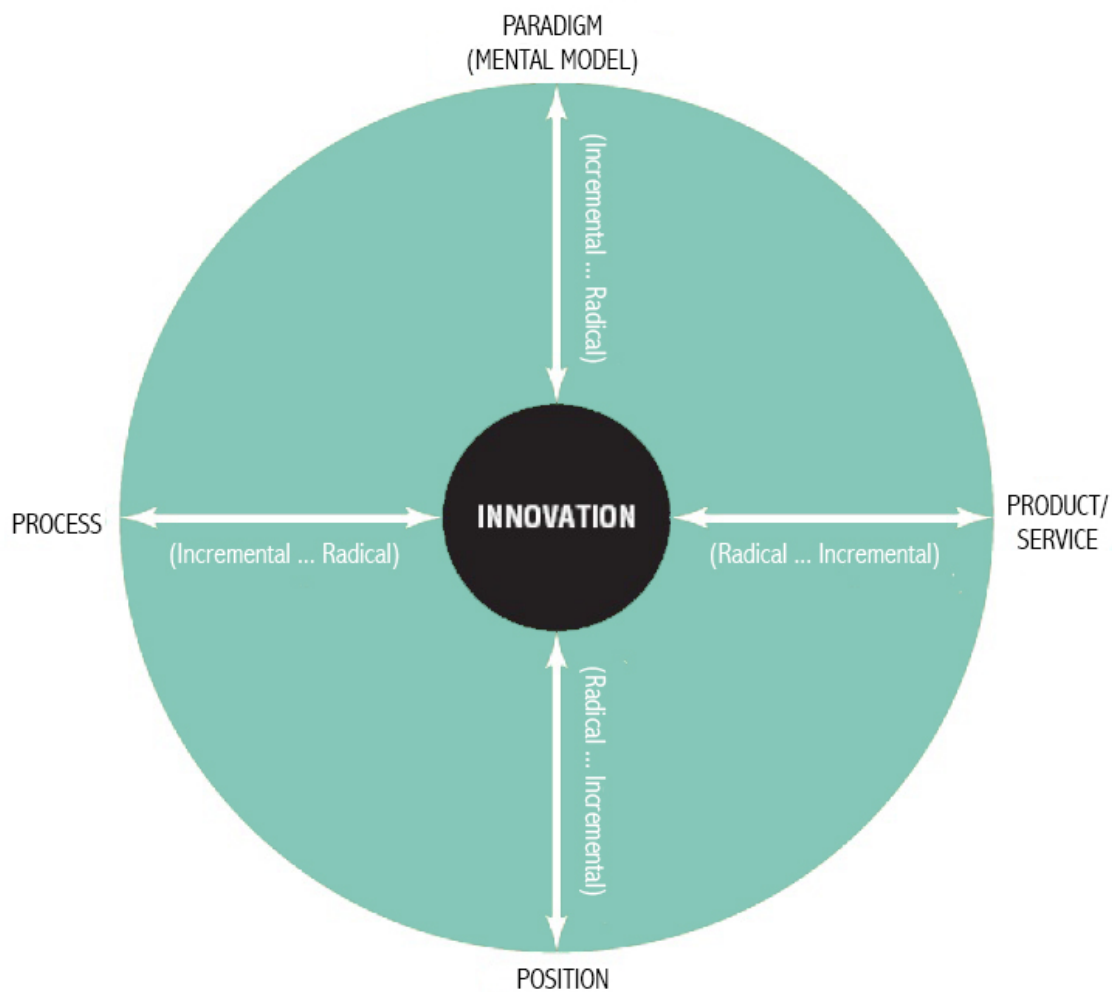
Figure 4: The Innovation Space (Tidd & Bessant 2005)

When looking at BWA Yachting's innovation space the company operates in the lower right part of the circle with a focus on mainly position and to some degree paradigm innovation. To BWA Yachting an introduction of luxury guest services is a strategic change in the value proposition of the business model illustrated through a radical change in the product/service. This calls for a similar radical repositioning of the brand. By reframing its view on the super yacht industry the company also deals with paradigm innovation. It is all about leisure not about getting from A to B. It is worth noticing that BWA Yachting's wish for a change in the value proposition requires more radical than incremental innovation management. According to Tidd & Bessant managing radical innovations are more of a challenge than managing 'steady state' innovations (2005). This is due to the fact that radical innovations are operated under high uncertain conditions. The company

has no prior idea of what it is going to develop or in many cases, how the innovation process should start. In the case of BWA Yachting increased competition within the area of marine agency services has forced the company to think differently. Essentially, the basic conditions for operating its business have shifted and the 'rules of the game' have changed. One can talk about discontinuous innovation where a new opportunity space for innovation opens up requiring BWA yachting to manage the new innovation under turbulent conditions.

5.1.4 Developments in Innovation Perspectives

In the following an overview of the developments in innovation perspectives over the last decade is presented. The view on innovation as a field and management discipline has changed radically during the last years. Innovation management is no longer an internal one-man show aiming to present customers with new products and services. Most significantly, innovation management has started to merge with fields such as customer, knowledge, and strategic management but as one will see innovation management is also moving closer towards brand management mainly through the concept of co-creation.

Innovation theory has traditionally dealt with innovation in the form of bringing new or improved products, ideas or services to the market, that is, product development (Jensen & Beckmann 2007). In the most general sense economists have since the industrial economy always recognized technological innovations as the most important reason for economic growth (Freeman & Soete 1997). The first famous chapter of Adam Smith's *Wealth of Nations* jumps directly to a discussion about 'improvements in machinery' while the godfather of innovation studies Joseph Schumpeter had a simple argument: Entrepreneurs will seek to use technological innovation – a new product/service or a new process for making it – to get strategic advantage (Tidd & Bessant 2005). Thus, during the industrial economy the possession of technological knowhow and internal investment in R&D were seen as the main key driver of innovation.

Later, a more nuanced view on innovation was introduced: Successful innovation was no longer about internal processing but about external network competences (Ritter & Gemünden 2003). According to Lipparini & Sobreo *"…technological innovation is increasingly less the result of efforts performed by a single firm"* (1994). It was now understood that all firms must depend upon their

environment for inputs vital to their survival and growth and it was seen as critical to have strong external ties and relationships among other firms in order to stay innovative. However, the relationships were mostly seen as technology-oriented networks (Gemünden et al. 1996; Ritter & Gemünden 2003), meaning that technology still played a significant role within innovation management.

In 2005 Eric Von Hippel published a different view on innovation in his book *'Democratizing Innovation'*. Hippel claimed that innovation had been democratized through user-centered innovation processes, meaning that end-users, rather than manufactures, were responsible for a large amount of innovation (Von Hippel 2005). According to Hippel *"…users are the first to develop many and perhaps most new industrial and consumer products"* (Von Hippel 2005, p. 2). In relation to this the *open innovation* paradigm coined by Henry Chesbrough in 2003 was introduced (2003). Basically, the concept of open innovation assumed that companies can and should use external ideas as well as internal ideas, as they look to advance their technology (Chesbrough 2006). R&D is seen as an open system where knowledge flows in and out. From an innovation management perspective, the publishing of the open innovation paradigm was seen as a radical new way of managing innovation. Firstly because external knowledge took an equal role to internal knowledge, meaning that external knowledge no longer was seen as a supplement but as a critical success factor on its own. Secondly, and most noteworthy, the open innovation paradigm placed the business model in the center of organizing innovation and thereby turned the business model, and not only the product itself, into the source of both value creation and value capture (Chesbrough 2006).

With the introduction of the open innovation and the paradigm's fundamental shift in the understanding of how companies generate new ideas and bring them to market through different paths, a more strategic view on innovation and innovation management started to emerge. Today the rapid technological change and increasing globalization force companies to think beyond simply technology improvements. Companies have to reflect upon innovation in a more strategic way by finding new models for doing business (Jensen & Beckmann 2007; Afuha 2009). At the core, strategic innovation can be described as game-changing innovation in product, services, business models, business process or positioning (Afuha 2009). Put differently, strategic innovation is about rewriting the rules of the game in order to create and capture value. A great

example is presented by the current chairman of Starbucks Howard Schultz, who has been stating that Starbucks not is in the business of coffee. They are in the business of serving people. Through a new game strategy Starbucks has managed to re-position the coffee chain, creating new value for its customers and thereby strategically innovate its business. The Starbucks example underpins the fact that within the strategic innovation mindset the value perceived, is not only a function of the value created by the maker, it is also a function of the components that go into the product or service, and of what the customer puts into using the product or service (Afuha 2009). This interpretation of value being a two-sided coin goes hand in hand with Vargo & Lusch's view on value creation. In 2004 they published the award winning article *'Evolving to a New Dominant Logic for Marketing'* in which they provide a new perspective that redefines the discipline's long standing concept of goods as the main driver of value creation. They relinquish the goods-dominant logic (G-D) in favor for a new marketing perspective, which they termed the service-dominant logic (S-D). In this new perspective, they argue that all enterprises are in business of providing services where those that produce goods only do so as a means of "transmitting" their services (Vargo & Lusch 2004; Vargo et al. 2008). A central issue underlying the S-D logic is the classification of resources involved in value generation and exchange (Lamberti & Paladino 2013, Vargo & Lusch 2004; Vargo et al. 2008; Vargo, He, Merz 2009). Basically, there are two key resource groups for a company; (a) operand resources which are tangible, physical resources and (b) operant resources which are intangible resources like knowledge and skills, which can act on operand resources in value generation. In other words, within the S-D logic goods (operand resources) are only seen as distribution mechanisms for services (operant resources). One of the main principles within the S-D logic is the one stating that the customer is always co-creator of value (Vargo & Lusch, 2004, Vargo et al. 2008). This means that the creation of value is an interactional process that requires the active participation of both the customer and company. The company presents the value proposition to the customer, and when the customer accepts the value proposition and participates in creating value it become value-in-use (Terblance 2014). However, this view on value co-creation being an all-encompassing process has later been challenged, which will be elaborated in the following co-creation section.

Before presenting the reader to the concept of co-creation it is essential to summarize on the findings of the analysis of the innovation management development. Basically, innovation management have moved from a belief on innovation simply being seen as technological products to a more strategic view on innovation management concerned with business model innovation and game changing strategy. Moreover, the field of innovation has moved from being seen as a process only taking place inside the company towards a multi-faceted view in which the network and customers of the company play a significant role in the innovation process and where value is seen as a two-sided-coin. What seems essential to this paper and of significant value when dealing with rejuvenating of a company's corporate brand in the super yacht industry is the idea of innovation including both the company, customer, and network. As will be presented later in the paper, all these contribute to value co-creation and they are all placed in the heart of the corporate brand innovation framework.

5.2 Co-Creation

The latest and most recent stream within innovation management is the one of co-creation. The presentation of the concept is placed under its own section to highlight the significance to the paper. Very recently, a handful of scholars have challenged the concept and in particular the underlying S-D logic and its view on value creation. For this reason a clear definition of how this paper views value creation is essential in order to grasp a full understanding of the later presented corporate brand innovation framework.

Today co-creation is one of the main topics of strategic managers and plays a significant role in innovation management (Prahalad & Ramsawamy 2004a; 2004b, 2008). Scholars C.K. Prahalad and Venkat Ramaswamy where the first to popularized the concept in 2000. The authors claimed that customers would no longer be satisfied with making yes or no decisions. Instead, they seek to interact with companies in order to satisfy their unique preferences (2000, 2004b). Co-creation stems from the S-D logic in which customers and companies jointly co-create value (Vargo et al. 2008). However, in 2010 Ramaswamy published an article addressed Vargo & Lush in which he questioned the authors view on value as services rather than experiences (Ramaswamy 2010). According to him when customers and companies engage in a process of creating value together

their co-creation experience become the new basis of value. Prahalad & Ramaswamy defined successful co-creation as *"High-quality interactions that enable an individual customer to co-create unique experiences with the company (thereby) unlocking new sources of competitive advantages"* (2004a , p. 7). Thus, what distinguishes Prahalad & Ramaswamy's concept of co-creation from earlier views on value creation is the focus on customer experience. Prahalad & Ramaswamy argue that during the last decade, mangers have indeed found ways to create experiences and involve customers – be it self-checkouts (e.g. gas pumps, ATMs) or product development (e.g. travel packages, clothing wear). However, they claim that with these offerings the company is still in charge of the overall orchestration of the experience keeping the customer somewhat passive (Prahalad & Ramaswamy 2004a). They call these experiences product-centric, service-centric, and therefore company-centric. The focus is on connecting the customer with the company's offerings rather than co-creating value through personalized interactions. From their point of view, co-creation focuses on creating an experience environment or platform in which customers can create their own unique personalized experience. From a super yachting point of view this perspective on value creation consequently change the view of value from being embodied in the yachting service itself towards value being the outcome and hence the experience the owners and guests perceive when cruising. In other words, a more holistic focus on super yachting grasping the importance of viewing value as a sum rather than the part is essential to consider.

Today confusion about how to define co-creation and how it relates to innovation appears. According to Prahalad and Ramaswamy the best way to understand the concept is by defining what co-creation is not. They explain that co-creation *"is neither the transfer or outsourcing of activities to customers nor a customization of products and services."* (2004, P. 10). Basically, co-creation is not "customers as innovators". Co-creation as designing products or services together with customers hardly counts as co-creation. Why? Because it still tacitly assumes that value will primarily be created at the point of exchange, which from Prahalad & Ramsawamy's point of view, is seen as a traditional point of exchange: A company-centric view rather than a co-creation view (2004a). Co-creating new products and services with customers is simply one point of interaction in the system. Instead, co-creation implies that all the points of consumer-company interaction

are critical for value creation. For this reason the critical task for every company is to innovate a robust experience environment where co-creation of value can take place.

Prahalad & Ramaswamy put forward the DART model, (D)ialogue, (A)ccess, (R)isk- benefits, (T)ransparency, which provides an initial conceptualization of the building blocks, which enable interactions between companies and consumers (2004a, 2004b). Dialog is an important element in the co-creation view since it requires the ability and willingness to act on both sides. Basically, the customer and the company must become equal partners. However, dialogue is difficult if customers do not have the access and transparency to information. If access and transparency exist then the customer will demand information about potential risk but at the same time they become more responsible for dealing with those risks. Great examples of platforms for co-creation can be found on the Internet and other information technologies, which have made interaction among company and customer easier and cheaper (Prahalad and Ramaswamy 2010). Different online communities and social media platforms offer the opportunity for customers to interact with the company and hence co-create an individual experience. However, co-creation in the form as personal experiences not just takes place between the company and customer. In 2010 Prahalad & Ramaswamy published yet another article on the topic of co-creation. This time focus drawn upon co-creation in relation to *all* stakeholders of an organization – not just the end costumer (2010). Employees, suppliers, distributors, and NGO's all take part of the co-creation process. Prahalad and Ramaswamy argue that generating new experiences for customers often requires designing better experiences for the internal players. A fact that is frequently overlooked today (2011). For example, the work experience within an organization plays a crucial role for employees, which interact with the customers and hence co-create the customer experience.

Recently Ramaswamy & Ozcan (2014) have published yet another book on co-creation further elaborating on the concept. In their book a more detailed description of previous research on co-creation is presented. In particular a new co-creation model putting an emphasis on the importance of enterprises being architected as a nexus of engagement platforms including persons, processes, artifacts, and interfaces is put forward (Ramaswamy & Ozcan 2014). A focus on creating individual experiences is still the main focus and value is seen as *"a function of the co-creation experience of individuals, both their experience in interacting through the platform and*

the experiences of outcomes that result" (Ramaswamy & Ozcan 2014, p. 32). An engagement

platform is defined as an environment of interactions. Examples of these are the product,

employees, store layout, to order online, website etc. According to the authors it is important to

bear in mind that the assemblages of persons, processes, artifacts, and interfaces *attempt* to

connect with human experiences. In other words, *"value is enacted in designed platform*

engagements but embodied in actual co-creation experiences" (Ramaswamy and Ozcan 2014, p.

38). The extended figure on co-creation and the value creation process is illustrated in figure 5.
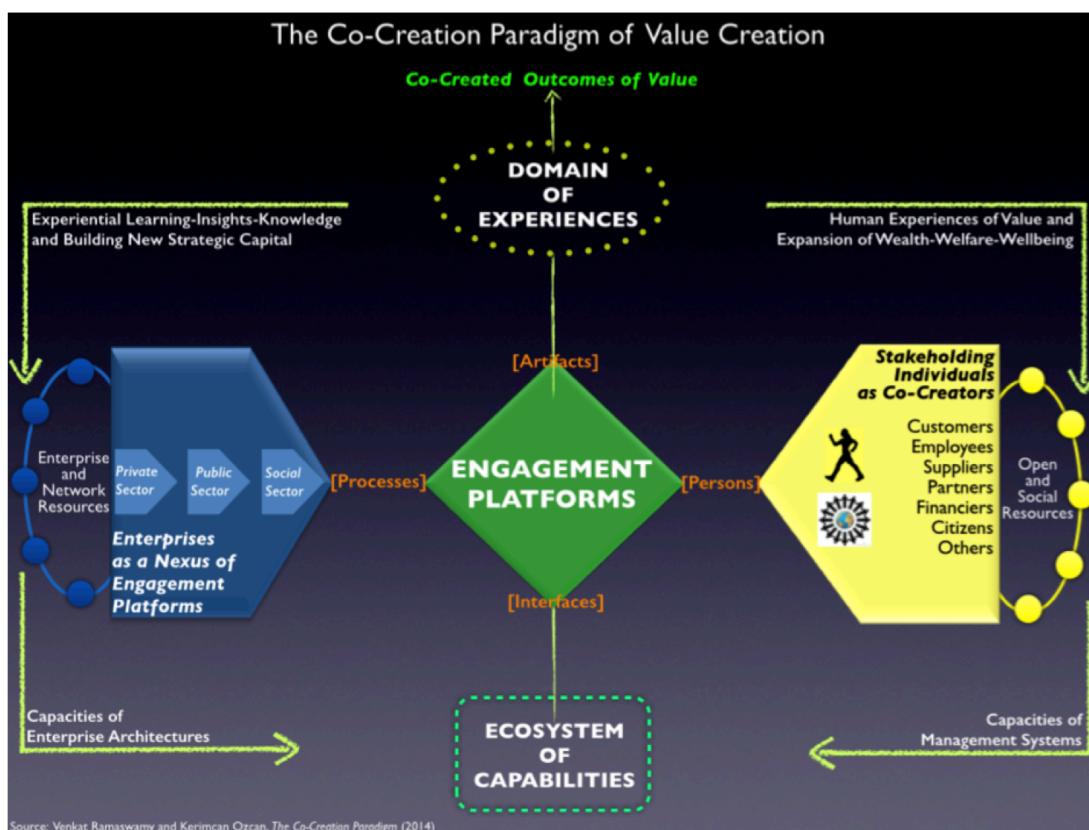

Figure 5: The Co-Creation Paradigm of Value Creation (Ramaswamy & Ozcan 2014).

As already touched upon Prahalad & Ramaswamy's view on the value creation process is rooted in

the S-D logic. Within the S-D logic customers and companies are not distinct. Value is always co-

created jointly in interactions between companies, employees, customers and other stakeholders.

However, the value is always determined by the customer (Vargo et al. 2008). This view on value

co-creation is adapted by Prahalad & Ramaswamy. They define co-creation as a *"process by which*

mutual value is expanded together, where value to participating individuals is a function of their experiences, both their engagement experiences on the platform, and productive meaningful human experiences that result" (Ramaswamy 2010, p. 1, Ramaswamy & Ozcan 2014). Basically, the roles of the company and the customer converge within this view. They are both collaborators and competitors - collaborators in the sense of co-creating value and competitors for the extraction of economic value.

5.2.1 A New Perspective on Co-Creation

In 2013 Grönroos & Voima challenged the S-D logic's view on value creation. The authors argued that treating value creation as an all-encompassing process in which all actors, customers and companies alike co-create value leaves the underlying locus of value unclear (Grönroos & Voima 2013). In other words, viewing the value creation process as mutual value creation contradicts with the marketing concept, according to which the point of origin and core is the customer. From this customer-centric perspective, marketing is about meeting the needs of customers and therefore make the business do what suits the interests of these customers (ibid.) Along this view, stands the S-D logic's view on value seen as *"perceived and determined by the customer on the basis of value-in-use"* (Vargo & Lusch 2004, p. 7). However, if the customers, as assumed within the S-D logic, are in charge of the value but at the same time if value creation is seen as an all-encompassing process a logical flaw appears (Grönroos & Voima 2013). This means that if value is defined as value-in-use then the production process, design, development and manufacturing are not part of the value creation process. Grönroos & Voima put it in this way: *"Value cannot be created both by the firm and the customer, and by the customer alone"* (2013, p. 137). This leads to the question of how a different view on value creation could potentially look like. Grönroos & Voima argue that value creation should be studied more closely as part of customers' life by looking at the context. Obviously, no customer buys a super yacht without the reflection of gasoline prices, berth opportunities, and additional maintaining costs or from a more emotional perspective: no customers buy (or rent) a super yacht without the reflection of how one will look in the eyes of friends and family and how an ownership will affect the personal life or even business. In other words, service and product interrelationships are part of the logic customers

adopt and affect their perception of value-in-use. As a consequence, a resource integration view of the S-D logic is suggested (Grönroos & Voima 2013). From the authors view customers integrate resources and processes from a company with the resources and processes from other companies and the context depending on the collective goal. Thus, the authors suggest that value creation should refer to a customer's *creation* of value-in-use thereby viewing the customer as the value creator whereas the company is seen as the value facilitator. But where does this leave co-creation? Basically, *"co-creation occurs only when two or more parties influence each other"* (Grönroos & Voima 2013, p. 139). This means that co-creation takes the form of direct interactions between parties. Grönross points out that the customer is the one who creates value but that *"the service provider (the company) could be invited (by the customer) to join this process"* (Grönross 2011, p. 288). It can be argued that co-creation, from the view of Grönroos and Voima, is a mean to customer's value creation. Within this view co-creation between a company and the customer depends on the customer who *"is in charge of value creation in the joint (co-creation) sphere"* (Grönroos & Voima 2013, p. 141). In the article a distinction between value creation in a service context compared with a goods context is not explicitly discussed. However, the authors address value-creation from a S-D logic perspective as presented by Vargo & Lusch (2004; 2008) and naturally assumes that all enterprises are in business of providing services where those that produce goods only do so as a means of "transmitting" their services. Thus, dealing with value creation in a pure service or goods context does not make any difference.

Summarized, the presentation of Grönross and Voima's critical view on value creation a more reverse perspective on co-creation is put forward suggesting that there is no such thing as value co-creation in combination with value-in-use. Put it simple, two kinds of value creation processes cannot occur at the same time. From the view of this paper Grönroos and Voima's observation of co-creation as being the *creation* of value-in-use thus including the context of the customer to understand how value is perceived is a great new perspective which makes sense to accept and include. The following observations from the article will be adopted in this paper: 1) Value cannot be created both by the firm and the customer and the customer alone. 2) Value creation is not an isolated process between two parties. Resources and processes from other stakeholders affect the value perceived why it makes perfect sense to incorporate a resource perspective within the concept of co-creation. However, the question is why the value perceived by the company is

neglected within the view of Grönross & Voima? From a marketing perspective the customer is placed in the center of the business. Consequently, a focus on customer's value is the main priority - and should remain so. However, when speaking of value co-creation between a company and a customer it is hard to neglect that co-creation is a two way process meaning that neither the value extracted from the customer or the company cannot be overlooked. Essentially, we need two to tango. For this reason I will argue that a more holistic perspective of value creation is required when looking at the concept of co-creation. From the view of this paper, value creation takes its point of departure in a co-creation environment where value is affected, influenced and hence extracted by the different parties. From this perspective value creation is a result of co-created experiences between the company, the customer and the context and value takes the notion of Ramaswamy & Ozcan's view on value as a function of the co-creation experience of individuals, both their experience in interacting through the platform and the experiences of outcomes that result" (Ramaswamy & Ozcan 2014). Through this view co-creation is merely seen as a process in which the company and customer can contribute to value creation. Thus, one cannot talk about co-creation as mutual value since the company and customer never will seek the same value. However, both parties can influence and affect value creation thus it makes sense still to use the term co-creation. Further within this new perspective, co-creation includes not only the customer and the company but also the resources and processes from other companies as suggested in Grönroos & Voima (2013) and the context in which the customer experience the value. Based on this co-creation is defined as a process by which value is affected and influenced by the customer, company and context within an environment of co-created experiences all contributing to value creation in the form of value-in-experience and/or value-in-input. This perspective on co-creation is illustrated in Figure 6 below.
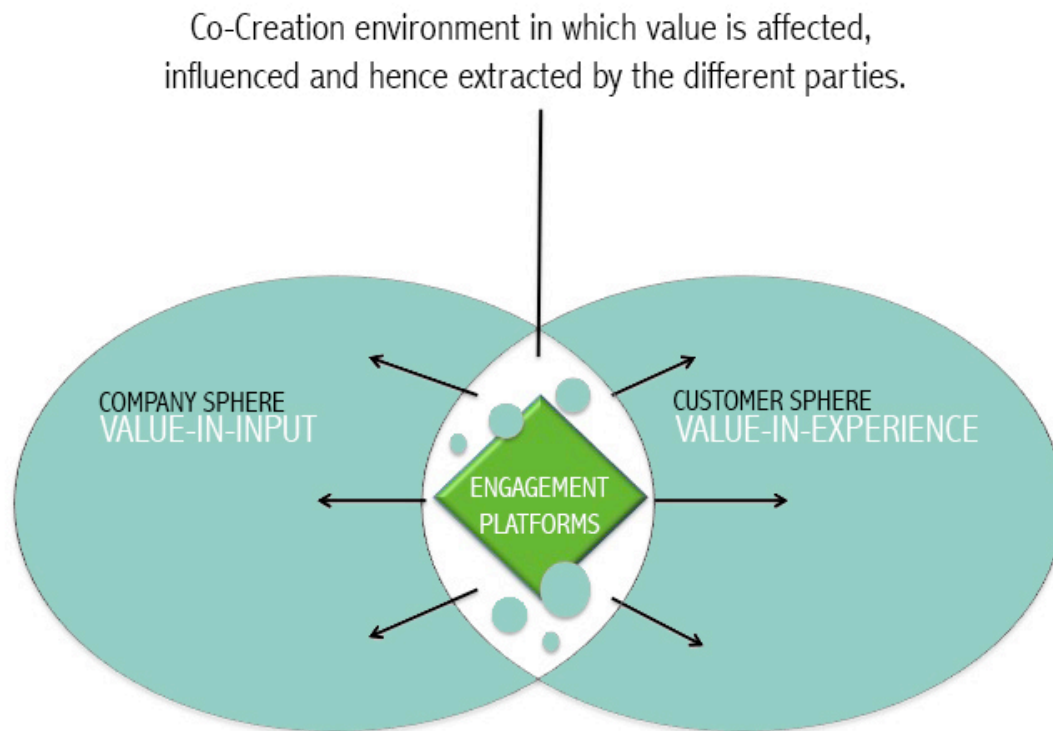
Figure 6: The Co-Creation Environment

The illustrated perspective on co-creation underpins the importance of viewing co-creation as an environment of engagement platforms in which value is affected, influenced and hence extracted by different parties. This means that co-creation is seen as a process to gain *either* value-in-experience (from the customer's point of view) *or* value-in-input (from a company's point of view). Moreover, and of most significance, value being influenced and affected by the context of both the company and the customer (illustrated through the dots) is an important aspect to bear in mind. Compared to the model of Ramaswamy & Ozcan (2014) this new perspective on co-creation places the context and external value influencers in the heart of the co-creation process in line with engagement platforms facilitated by the company. Within the model of Ramaswamy & Ozcan (2014) only engagement platforms, and hence only interaction among the company and the customer constitutes the heart of the co-creation process. It is worth noting that the model of Ramaswamy and Ozcan (2014) does include and acknowledge the influence of the external context. However, the context and mixed bag of participants is not a direct part of the co-creation process as in this extended view of the co-creation environment.

5.2.2 Implications of Co-Creation

The increased focus on co-creation is a result of customers now being informed, connected, and empowered on a scale larger than ever before (Terblanche 2014). Due to Internet technologies customers have access to new tools that enable them to co-create with companies (Prahalad & Ramaswamy 2010). Consequently, companies have to consider how they can create engagement platforms for interaction and thereby facilitate co-creation.

From an innovation management perspective co-creation improves a stronger connection between the product and the customer thus improving the relationship with the company. When customers have a much larger influence over the outcome they experience with the company they feel more connected. Hence, co-creation affects the company's ability to provide personalized service and better customization so that it can use customer input to develop better value propositions (Terblanche 2014). This means that if managed properly, co-creation can lead to customer loyalty. When a company and a customer interact emotional attachment appears, which can enhance the effect of trust and commitment. However, positive outcomes are not guaranteed. There are a number of risks associated with co-creation. Empowered customers and increased customer participation reduce the control the company has over the product or service and as one later will see, the brand. Value co-destruction is the process by which value can be destroyed when two parties interact (Terblanche 2014). Further co-creation can increase employees' job stress and hinders their job satisfaction since successful co-creation depends on the cultural values of customers and employees. *"Therefore customers and employees should be 'matched' based on their cultural value orientations for successful value co-creation"* (Terblanche 2014, p. 7).

5.2.3 Co-creation & Luxury Brands

Within the paper, co-creation has so far been presented based on a common theoretical agreement of companies and brands being alike. However, and in order to grasp the full potential of co-creation, one has to distinguish between brands and luxury brands. As presented in the interview chapter, the empirical findings show that neither top management, employees nor customers of BWA Yachting perceive the company as a luxury brand. Nevertheless, BWA Yachting operates in an industry constituted of luxury why the company seeks to enter the market of luxury

concierge services. In order to acquire a brand position within the market of luxury concierge services thoughts about luxury branding and how to navigate is fundamental to the company. For this reason a deeper understanding of how to co-create value for luxury brands seems essential. According to Tynan, McKechnie & Chhuon the marketing of luxury goods or services requires a fine balancing act to satisfy the increasing demand while at the same time safeguarding the brands reputation and exclusivity (2008). Successful luxury marketing requires the customer to perceive sufficient value in the luxury good to compensate for the high price charged. Therefore, understanding not only the type of value sought but also the process of value co-creation is important to companies operating within luxury industries. Basically, to market a luxury brand is a complex and very challenging job. In fact *"classical marketing is the surest way to fail in the luxury business"* (Tynan, McKechnie & Chhuon 2008). In light of this the case study 'Co-creating value for luxury brands' worked out by Tynan, McKechnie & Chhuon (2008) has identified co-creation processes useful for the case study of this paper.

One important finding in Tynan, McKechnie & Chhuon's study of co-creation for luxury brands is the one of *interactions*. Since money is a necessary but not a sufficient condition for the purchase of luxury goods and services exclusivity and rarity are important values for the customer. This means that an attempt to create 'mass-produced' or 'ready-made' interactions between the customer and the company will be refused. Instead companies should focus on creating exclusive co-creation environments tailored for the customers (Tynan, McKechnie & Chhuon 2008). The authors further argue that *"in the luxury market interactions are multilayered and complex, and not simple comprising interaction between the firm and the customer"* (2008, p. 1160). What customers really favor is interaction with high-end individuals as this offers them privileged access to information. Based on this, it is interesting that co-creation for luxury brands is not simply about facilitating tailored interactions between the customer and the company, but to facilitate interactions with other members of the elite and in particular similarly positioned brands. Through collaborations with the world of art, fashion, and music companies can maintain topicality and relevance for their brands (2008). Consequently, having a network becomes important for luxury brands since multiple interactions between network members serve as a basis upon which companies can develop differentiated, desired and difficult to copy aspects of their brand experience.

Relating the findings of Tynan, McKechnie & Chhuon to the case of BWA Yachting it becomes important to reflect upon what BWA Yachting can learn from other luxury markets. A first step for BWA yachting is to determine the company's luxury existence in the market by teaming up with well-positioned luxury brands. That could be a famous hotel, a members' club or an existing luxury concierge operating within another luxury industry. Luxury brands hold more authority than regular brands meaning that the interplay between non-competing but complementary luxury brand networks co-creates value. In fact, because many luxury brands very often hold a strong brand heritage and history less co-creation is needed. What is needed is to establish a network in order to access new ideas and expertise, which will enable companies to innovate in a highly competitive marketplace and stay at the cutting edge.

5.3 Corporate Branding

At this point the paper has given a brief introduction to the developments in innovation management and presented the reader to co-creation and how the concept is defined from the eyes of this paper. In the following section an introduction to the developments of the corporate branding field is put forward. As one will see, an evolvement similar to the one of innovation is observed. The section begins with a short introduction to corporate branding, its definition and relevance of today. Mary Jo Hatch and Majken Schultz' contribution to the field and in specific their VCI Alignment Model is briefly presented. The model serves as the foundation for a new corporate brand innovation framework presented later in the paper. A more detailed critical look on the model is presented in its own chapter.

It is hard to deny that the notion of corporate branding within the last decades has gained prominence of a top management priority given the growing realization that brands are one of a company's most valuable intangible assets (Ailawadi & Keller 2004; Balmer 2012; Biraghi & Gambetti 2013). The Brand Power Ranking (CoreBrand.com), listing top of the world corporate brands, demonstrates that even in difficult economic climate, corporate brands continue to

impact companies positively. However, managing a corporate brand is and still becomes more complex due to changes in marketing mind-set, brand management, and customer relations. Corporate branding originates from the marketing discipline and in particular product branding which deals with the question of how to market products (Shultz, Antorini & Csaba 2005, Hatch & Schultz 2008). Unlike product branding, where the individual product is the foundation for the brand, corporate branding seeks to market the organization behind the product and thereby turn the whole corporation into the main branding activity (Hatch & Schultz 2008). The move towards corporate branding is a result of shortening product lifecycles but also due to a shift towards a service economic (Hatch & Shultz 2009). Services are always tricky to brand because they depend so heavily on the behaviour of the employees who deliver them. From the perspective of the case company BWA Yachting this holds true. Being a global brand, where human variability is a significant factor, calls for a strong corporate brand, which can unite the company.

In a broader theoretical development, corporate branding can be seen as a move towards considering more integrated relationships between internal and external stakeholders (Shultz, Antorini & Csaba 2005). One of the most powerful and widely cited models in the literature of corporate branding is Hatch & Schultz' VCI Alignment Model (2001, 2003). The model can be conceptualized *"as alignments between the origin and everyday practices of the organization, where the organization aspires to go, how the organization is perceived by external stakeholder, all nested in perception of who the organization is"* (Shultz, Antorini & Csaba 2005, Hatch & Schultz 2001, 2003). Basically, corporate branding from the eyes of Hatch & Schultz is about finding the coherence between what the top managers want to accomplish in the future (strategic vision), what has always been known or believed by company employees (culture), and what external stakeholders expect or desire from the company (image) (Hatch & Schultz 2008). The basic principle is that the greater the coherence of vision, culture, and images, the stronger the brand. Before taking a critical look at the model in order to sketch out limitations and possibilities for improvements a general overview of how different perspectives within the corporate branding field has developed over time is presented.

5.3.1 Developments in Corporate Branding

The first appearance of a corporate branding perspective emerged during the 80's as a response to scholars' current product-centric view on branding (Heding et al. 2009; Morsing 2006, Biraghi & Gambetti 2013) Traditionally it was understood that a company through individual and distinct product branding could control and manage the brand. The customer was seen as a passive receiver of the marketing message and branding was in general considered a management problem (Heding et al. 2009). The first shift within corporate branding can be termed *Corporate Brand Identity*. The approach acquired a more holistic style to brand management by adding a link between a company's interior processes (corporate identity) and its exterior focused activities (corporate image) (Abratt 1989). It was assumed that customers attributed identity characteristics to companies and that people formed images of companies based on the total experience of the company (Heding et al. 2009). Among others, identity characteristics included the corporate name, market offer, logotypes, slogans, and formal behavior (Aaker 2004; Balmer & Gray 2001; 2003). Through these, customers translated the corporate brand identity, resulting in a corporate brand image. Basically one can say, that corporate brand identity set the scene for today's understanding of corporate branding as a tool for creating one unified message across all functions (Hatch & Schultz 2001; 2003; 2008; Roeck et al. 2012). The key assumption of corporate brand identity was that all activities should be integrated and aligned in order to create a coherent company experience - a view corresponding to the one of corporate branding (Heding et al. 2009). Despite the fact that the identity approach acknowledged that consumers could form their own interpretations of a brand it was commonly understood that identity was on the sender's side (Heding et al. 2009). Strictly said, the point of exchange within the corporate identity approach was similar to the one of the product-centric brand approach: the company was the sender and the customer the receiver. The distinction lay in the value creation. Instead of (simply) focusing on a company's superior product it became evident to focus on the visual and behavioural identity of the corporation as the core of value creation (Shultz, Antorini & Csaba 2005).

A second shift in the corporate branding perspective came as a natural extension to the corporate brand identity approach. Whereas the first shift focused on identity from a managerial viewpoint, primarily dealing with identity decisions made by top management, the second shift; *Corporate*

Brand Culture emphasized identity from an organizational point of view and thereby focused on the internal culture within the company. It was now understood that the culture surrounding the corporation had a significant influence on the corporate brand (Cheney et al. 2004; Hatch & Schultz 2000). The ways that organizational members perceive, feel, and think of themselves as an organization contributed to the corporate branding perspective. In the book The Expressive Organization (2000), Hatch & Schultz argued that simply focusing on the corporate identity only showed half the picture of a corporate brand. *"Employees must feel the message they are sending with their behavior, not just go through motions"* (Hatch & Shultz 2000, p. 1). Through this view, the corporate branding perspective broadened. The internal values, beliefs, and basic assumptions of the organizational members became an essential part of creating a strong corporate brand (Shultz & Hatch 2003). Through these the culture of an organization was formed thereby influencing the total corporate brand experience.

A radical third shift, which influenced on the corporate branding perspective, is termed *customer-driven corporate branding.* The shift occurred when Kevin Lane Keller published the revolutionary article '*Conceptualizing, measuring, and managing customer-based brand equity'* (1993) and later followed up with his book '*Strategic Brand Management: Building, Measuring, and Managing Brand Equity'* (2004). Keller argued that the brand resided inside the mind of the individual consumer as a cognitive construal. The customer owned the brand and therefore should be the main point of research interest. How consumers thought, felt, related and acted towards brands, products, and services was essential elements to understand. In contrast to the first two shifts stressing an inside-out perspective Keller introduced an outside-in perspective on brand value creation. The approach assumed that a customer voice had to be incorporated in all branding activities and that *"Brand marketers must strive to stay close to all customers and understand what they know and like about brands and what they don't know or don't like"* (Keller 2011, p. 38). However, besides this customer-driven focus it was still assumed that the company had the overall control of the brand. The customer was seen as a cognitive man that, hence owning the brand as a set of associations in the mind, granted manager control over brand image creation (Heding et al. 2009). The recipient of the message, in this case the consumer, understood the message as intended by the sender. A more nuanced view on the customer-driven approach came with Susan

Fournier's brand-relationship theory (1998). Fournier implied that like relationship among people we also experienced relationship with brands. Relationships included 'arranged marriage', 'best friendship', 'casual buddies' etc. (Fournier 1998). Expanding the notion of branding to include consumer behavior and relationships had an impact on the corporate branding perspective. The customer-driven branding approach assumed that brands almost by definition had a symbolic nature - something that stands for or suggests something else by reason of relationship, convention, or association (Hatch & Shultz 2008). Within a corporate branding perspective 'something else' became 'something more', something that adds value to the customer and thereby enhancing a company's corporate brand.

Finally, a recent shift within brand management, or one can argue an extension of the above, taking the notion of corporate brand communities has caught attention. This fourth shift of corporate branding is termed *Corporate Brand Communities.* The breakthrough of this approach came in 2001 with the article 'Brand Community' by Muniz & O'Guinn. The article stressed the importance of viewing brand communities as a basis for brand value creation (2001). *Brand community* is a term used to describe like-minded consumers who identify with a particular brand and share significant traits, which, according to the authors, can be described as *"shared consciousness, rituals, traditions, and a sense of moral responsibility"* (Muniz & O'Guinn 2001, p. 412). The authors show that consumers may organize into these communities to share their experiences of a brand and hence create brand value. Brand value stems from the concept of brand equity termed by Keller (1993, 2004). Brand equity defines the value of the brand and can refer to two understandings of brand value, namely a financial, objective expression to account how much value a brand holds and a strategic, subjective understanding referring to consumers' perception of the brand. Within the community approach brand value is seen from the view of the customer. According to Heding et al. brand value is created through social interaction *among* dedicated brand consumers (2009). Meaning that interaction between consumers plays a significant role. Muniz & O'Guinn put it in this way: *"The brand communities are social entities that reflect the situated embeddedness of brands in the day-to-day lives of consumers and the ways in which brands connect consumers to brand, and consumer to consumer"* (Muniz & O'Guinn 2001, p. 418). In other words, the existence of a brand community requires interaction between

consumers thereby introducing a context perspective to the corporate branding field. Through the corporate brand community approach an even stronger focus on stakeholders seems to appear. The approach highlights that the corporate brand does not emanate solely from the organization, rather it emerges from the encounter between the organization and its stakeholders through an ongoing dialogue (Biraghi & Gambetti 2013). Thus, it can be argued that the view on brand value creation goes hand in hand with the co-creation concept found within the innovation management field. However, not much attention has been given to the relation between co-creation and corporate branding for which reason a presentation of the literature combining the two are essential to present and reflect upon.

Summarized, the corporate branding field has moved from a view on corporate branding as created and developed by the company (inside-out) towards an understanding of a corporate brand relying inside on the mind of the individual and hence owned and co-created by the consumer (outside-in). The key idea of this section and of significant value when dealing with rejuvenating a company's corporate brand in the super yacht industry the idea is that corporate branding emerge from the encounter between the organization and its stakeholders through an ongoing dialogue. By sharing the same perspective on value creation as the innovation management perspective, that of value being created based social relations, it seems essential to BWA Yachting to reflect upon how the company can include the customer in a brand innovation process.

5.3.2 Co-Creation & Corporate Branding

Only few articles within the corporate branding literature take up the notion of co-creation. One of the main articles to relate co-creation and branding was published in 2010 by Hatch & Shultz. In their article they took the four building blocks of co-creation; dialogue, access, risk and transparency as described by Prahalad & Ramaswamy (2004b) and related them to a branding context. Hatch and Shultz noticed that brand community researchers were among the first to focus attention on the role consumers play in the creation of brand value (Hatch & Shultz 2010). Although focus on brand communities is on how community members participate in dialogue and

interact with one another, the findings are relevant for brand value creation. For example Muniz & O'Guinn identified the function of *sharing information* and *relationship* within their study of brand communities (2001) – two concepts strongly related to co-creation. Further, the interaction within brand communities was seen as relationships between the ecosystem of all stakeholders (Hatch & Schultz 2010) - a perspective equally shared by Grönross & Voima who stress the importance of noticing the context, and thereby the ecosystem, in the value co-creation process. Despite the lack of literature connecting co-creation and corporate branding Vargo, He & Merz identified a parallel evolution between the branding discipline and the S-D logic (2009). The authors argue that the latest era of branding has evolved towards a brand logic acknowledging that *"brand value is co-created between the firm and its stakeholder"* (Vargo, He & Merz 2009, p. 330). This reflects the evolution from the G-D logic to the S-D logic implying that *"value must be understood in the context of complex networks that are part of a dynamic service ecosystems.."* (ibid.) Consequently, the authors suggest marketing and branding can and should reinforce each other.

While Prahalad & Ramaswamy's articles on co-creation take a marketing rather than a branding perspective the authors notice how co-creation in fact influences brand creation (2004b). Aligned with previous findings on corporate branding in the paper Prahalad and Ramaswamy argue that the brand traditionally was seen as the centerpiece of a company's communication with customers. Today active consumers who have access to information and want to decide for themselves have shattered this view on brand creation. As a consequence the brand creation process is no longer left with the company. Instead, the brand evolves through what can be termed the core of co-creation: *experiences* (Prahalad & Ramaswamy 2004b). Experiences are personal, differ from customer to customer, but most noteworthy experiences are co-created between the company, customer and its stakeholders and become the essential part of the brand. The authors explain: *"as companies transition toward the new opportunity space, the co-creation experience and the brand become embedded in each other. In the end, the co-creation experience is the brand"* (Prahalad & Ramaswamy 2004b, p. 7). Relating this to the corporate branding perspective of today it makes sense to claim that we have reached a point of co-created corporate branding within brand management. However, when looking into the literature of corporate branding the co-creation concept is barely taken up. This appears inexplicable considering the fact

that the last shift of corporate branding takes a move towards brand communities where value is co-created. Obviously, this calls for a new perspective on corporate branding including the concept of co-creation.

5.4 Towards Corporate Brand Innovation

In the previous section a brief overview of the developments within the innovation and corporate branding field has been presented. The developments are visualized in Figure 7. Summarized, the developments within the innovation perspectives show that companies have moved from a belief of simply viewing technological innovation as the main source for competitive advantage to a more customer strategic view based on social relations in the form of co-creation. The critical task for innovation managers today is to view the overall experience a customer has rather than the product or service itself as the main driver of value creation. As a consequence it becomes essential not only to innovate superior products but also to innovate experience environments where value co-creation can take place. Similar to the development of innovation, the corporate branding field has evolved towards a focus on corporate brand communities based on social relations. In the early days of brand management the brand belonged to the company. Today the brand is 'owned' by the customer and value is created through customer experiences. Figure 7 illustrates how the developments of innovation and corporate branding are evolving towards a common understanding of co-creation as the main driver of both innovation and corporate branding.
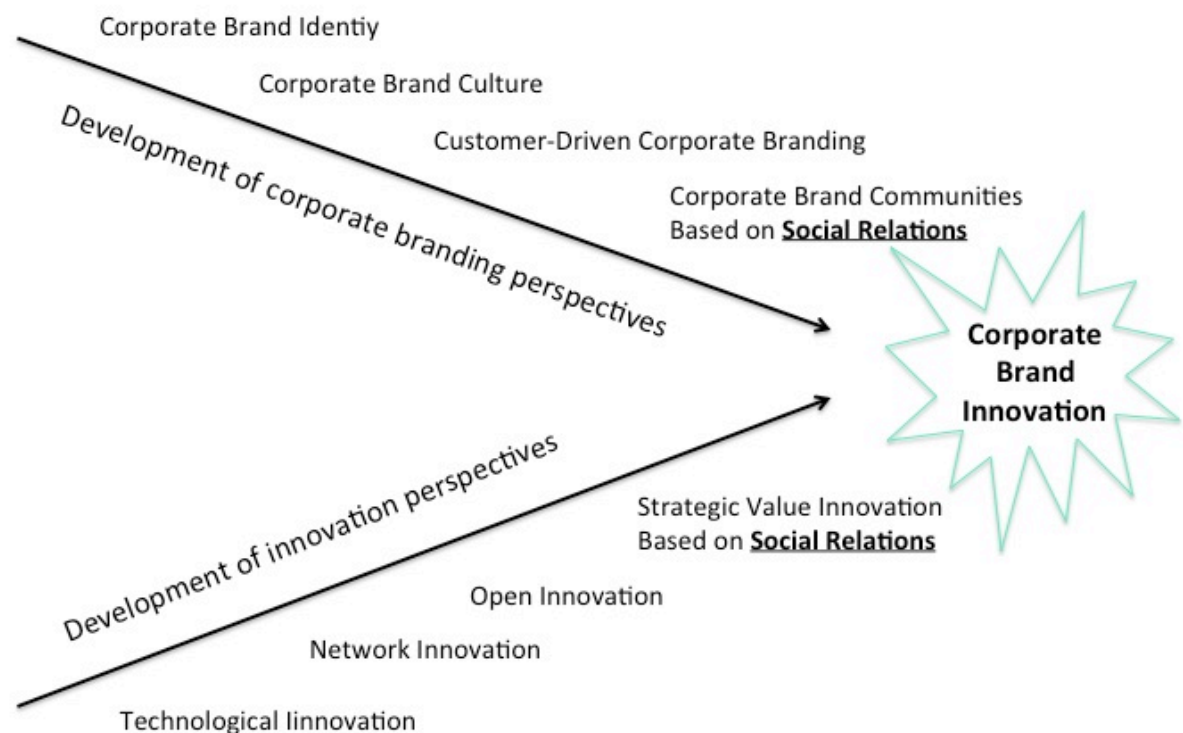
Figure 7: The developments of corporate branding and innovation management

From the illustration above follows the question why innovation and corporate branding continue not to be connected? A common conclusion is that value, from the eyes of both fields, is created between the customer, company and ecosystem. It therefore seems plausible that corporate branding works as a resource in innovations processes as well as the other way around, i.e. innovation as a resource in managing corporate brands. However, a lack in the literature unfolding that to effective and efficient managing a corporate brand calls for integrating corporate branding with innovation, as a perspective, process and field of competence.

6.0 Critical Perspectives on Corporate Branding

In the following chapter a critical look on one of today's most used and recognized corporate branding models; the VCI Alignment Model worked out by Majken Schultz and Mary Jo Hatch, is presented. The critique is based on my interpretation and analysis of theory and will be used to determine how and where the VCI-model is coming short. Later in the paper, the VCI-model will serve as the basic platform to connect the fields of corporate branding and innovation by introducing the *Corporate Brand Innovation* model. Two criteria for the choice of the VCI-model has been considered: 1) Based on the enormous amount of literature Majken Shultz and Mary Jo Hatch seem to be mentioned and cited more than any other scholars thus given them a strong influence within the corporate branding field. 2) The VCI-model is said to constitute one of the most powerful models in the corporate branding literature (Muzelles & Lambkin 2006, Ballantyne & Aitken 2007). Based on this the decision to use the VCI-model as the foundation for an improved corporate branding model has been made.

With the co-creation concept in mind the chapter seeks to take a critical look at the VCI-model and its underlying perspectives and assumptions in order to put forward a new managerial model capturing corporate brand innovation through co-creation.

6.1 VCI-model

According to Hatch & Schultz a corporate brand is one of the most important strategic assets a company can have (2001, 2008, 2009). But alongside the importance of having a corporate brand comes the need for managing it. The authors claim that *"no longer do marketing departments rule the domain of branding. Instead, responsibility radiates out from the very top of the company to every nook and cranny in the organization and beyond even this, into the web of stakeholders, that make up the enterprise"* (Hatch & Schultz 2008, p. xvii). Based on this, that a corporate brand is constituted of the total enterprise, the VCI Alignment Model covering the principles of a coherent alignment between a company's vision, culture, and image is derived (Figure 8).
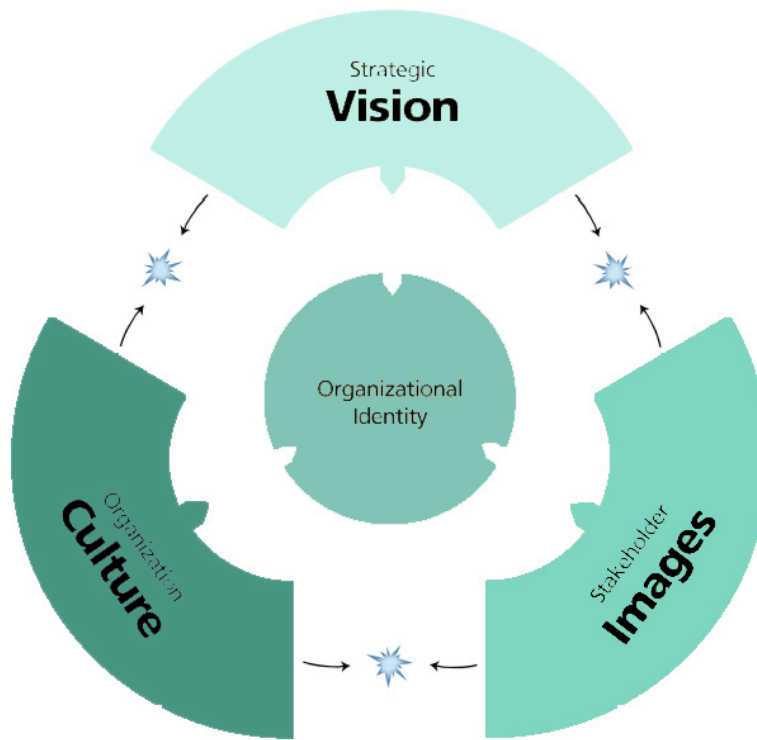
Figure 8: The VCI-Model (Hatch & Shultz, 2008)

Vision is defined as top management's aspirations for the company. Culture is the organization's values, behaviors, and attitudes – that is, the way employees feel about the company whereas image is defined as the outside world's overall impression of the company (Hatch & Schultz 2001). The central message is that the greater coherence between the three principles the stronger the brand. However, misalignments or gaps between the three principles can occur leading to what the authors call an underperforming corporate brand. The combination of vision, culture, and image represents in one way or another everything the organization is (Hatch & Schultz 2008). According to Hatch & Schultz, differentiation and belonging are the root sources of brand value and the benefits a successful corporate brand can bring (Hatch & Schultz 2008). It can therefore be said that the main objective of corporate branding is to attract stakeholders through values and norms differentiated from competitors in order to make them feel a sense of belongingness.

6.1.1 Inside-out vs. Outside-In

Based on previous findings in the paper claiming that the field of corporate branding has moved towards a focus on brand communities based on social relations and co-creation it can be argued

that the VCI-model has not yet come to a point where *brand co-creation* is seen or used as a tool to managing a corporate brand successfully. In fact, the VCI-model seems to treat corporate branding as a discipline where the main point of interest is the corporation itself rather than its stakeholders. Hatch & Schultz claim that the VCI-model indeed takes an outside-in perspective and thus includes a stakeholder view on corporate branding (2008). By answering the question what image stakeholders hold of the corporation, the company is able to identify a potential gap between how an organization wants to be seen and how it is perceived. This means that by listening to the customer the company can respond to what stakeholders have to say and hence create a strong corporate brand. Moreover, Hatch & Schultz describe a successful corporate brand as a puzzle. When the pieces (vision, culture, image) are put into place, *"they form an integrated expressive and satisfying whole that builds strong corporate reputation…"* (2008, p. 12). Thus, the customer, stakeholders and employees are seen as a 'brick contributor' whereas the company is the 'puzzle creator'. From the eyes of the paper, this view on value creation does not match the paper's earlier presented view on co-creation. Co-creation is defined as a process in which value is *affected* and *influenced* by the customer, company and context. This means that all three components - costumer, company and context - contribute to value creation. It can therefore be argued that the VCI-model to some extent continues to grasp an inside-out perspective on corporate branding. The model encourages companies to look beyond their boundaries in order to collect information but when it comes to defining the brand the company continues to take the lead from inside the corporation.

6.1.2 What & Who vs. How & Why

A central element within the concept of co-creation are interactions between parties (Grönross & Voima 2013). When looking at the VCI-model, alignment between vision, culture and image is essential in order to create a strong corporate brand (Hatch & Schultz 2008). However, it is unclear how the alignment is achieved. Roeck, Maon & Lejelune argue that *"Hatch & Schultz's model does not explicitly address the underlying processes through which managers can coherently align strategic vision, culture and reputation in a credible and attractive brand position"* (2013, p. 138). Instead the VCI-model focuses on identifying by asking *what* and *who* rather than *how* and *why*.

Interaction among stakeholders is a key component within co-creation. Through interactions co-created experiences are formed and according to Prahalad & Ramaswamy the experience is the brand (2004b). For this reason it seems critical to outline what kind of interactions a company seeks to facilitate and how the stakeholders decide to engage in order to keep the corporate brand strong. Moreover, a focus on interactions among the stakeholders is essential. As the VCI-model appears today it takes into account a company's stakeholders. However, it does not seem to grasp the interaction between stakeholders and their context.

6.1.3 Static vs. Dynamic

A last critical view on the VCI-model takes the notion of to what degree the model can be useful for innovation and further brand development. As already referred to the VCI-model is a powerful tool to identify the key problem areas of an organization but according to Hatch & Shultz the company itself has to come up with solutions to fix the gaps: *"…the hard work of developing specific solutions and implementing them belongs to you and your team"* (Hatch & Shultz 2001, p. 130). Consequently, the model encourages to problem solving rather than ongoing brand development. This leaves the question how a company with a coherent alignment between vision, culture and image can keep developping its corporate brand? Based on the fact that the VCI-model is built around a principle of identifying gaps I will argue that the model performs static. However, Hatch & Schultz do note that a corporate brand has to be managed continuously and throughout the life of the company thereby placing a dynamic aspect on the model. But with a focus on closing existing gaps rather than preparing for and exploring new ones the dynamic perspective seems far away. I will argue that with an introduction of the co-creation concept a stronger emphasis on corporate brand innovation grasping a more dynamic perspective starts to appear. This will be further elaborated in the next chapter.

Needles to say the above critical standpoints on the VCI-model are an attempt to place a new innovating perspective on corporate branding - not to let the current one down. The VCI-model is a strong model capturing many strategic aspects but more than a decade after its appearance in the literature a time for new challenging perspectives on the model seem reasonable.

7.0 The Corporate Brand Innovation Framework (CBI)

In the following the *Corporate Brand Innovation* framework is presented. The framework aims to put forward an integrative and dynamic perspective of what has been discussed in the paper by connecting the fields of innovation and corporate branding through co-creation. The Corporate Brand Innovation framework builds on Hatch & Schultz's VCI-model (2008) presented above. The VCI-model stands as one of the most powerful and well-defined corporate branding models in literature why it is still believed to be valuable in this context. However, a more dynamic perspective encouraging corporate brand innovation is asked for hence the co-creation concept constitutes a central facet of the framework. When taking a critical look at the VCI-model, it is clear that the co-creation perspective represents one of the principal gaps hereof. For this reason the framework will put particular emphasis on *interactions*, *experience* and *engagement platforms* as presented by Prahalad & Ramaswamy (2004a, 2004b) and Ramaswamy & Ozcan (2014). Moreover, a resource perspective, as suggested by Grönross & Voima (2013), incorporates a more nuanced view on how value creation is derived and created. The foundation for building the framework is based on theoretical construction. In figure x the *Corporate Brand Innovation* framework is illustrated. Each central element of the model will be described and commented on, before the framework is adopted and implemented in the case study of BWA Yachting.

7.1 The Co-Creation Environment

Previous findings on the co-creation concept has noted that successful co-creation is based on interactions through engagement platforms that enable the individual customer to co-create unique experiences with the company and context. Based on this, the overall purpose of incorporating co-creation with corporate branding is to enhance the experience the customer has with the brand. Prahalad & Ramaswamy note that the experience is in fact the brand (2004b). For this reason, co-created experiences through interactions stand as the main focus in a new corporate brand innovation framework. As presented earlier in the paper, the experience a customer perceives is formed and affected within a co-creation environment. The environment takes up three elements – customer, company and context – all contributing to value co-creation.
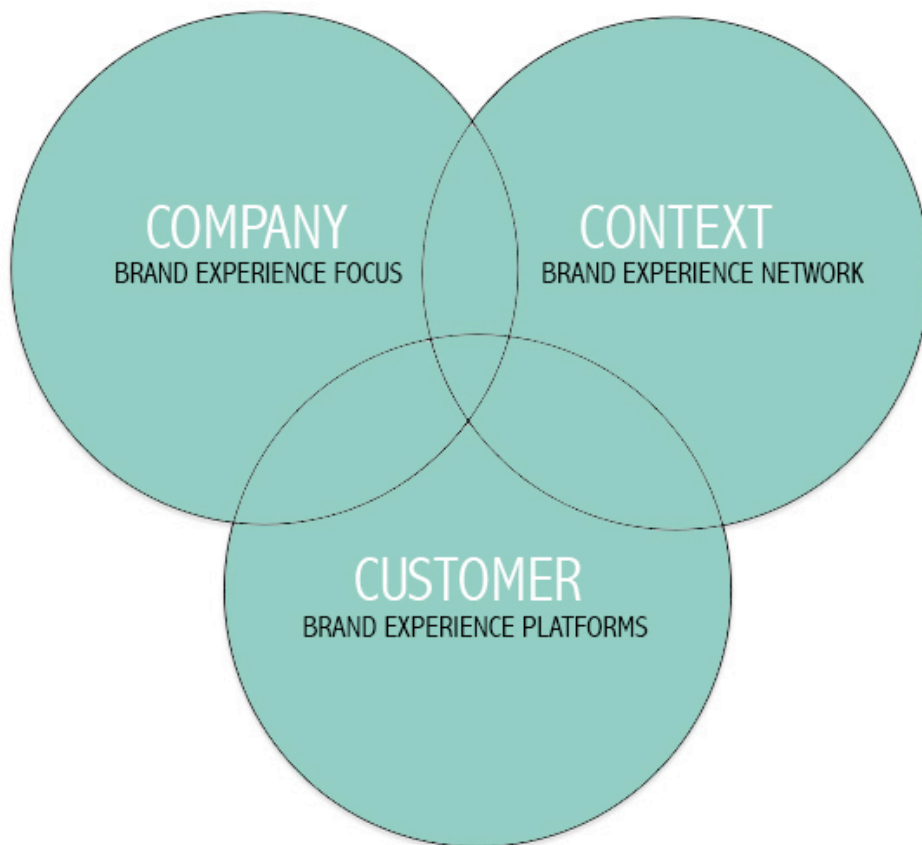
Figure 9: The co-creation environment in which experiences are formed

By feebly allowing the three key elements of co-creation - *company*, *customer* and *context* – touch each other the figure illustrates that the co-creation environment takes up the whole ecosystem, and that all elements influence and affect value creation. The company element includes the employees and seeks to attention the overall brand experience strategy. The customer element takes the notion of specific interaction and engagement platforms and how these can be improved. In contrast to Ramaswamy & Oszan (2008), the co-creation environment as it appears in this paper stresses the importance of placing the context in the heart of value co-creation. This means that experiences among customers and its network is included. Moreover a company's other stakeholders (suppliers, NGO's etc.) are included in this element. On the following page the co-creation environment as presented here is adopted within the VCI-model and the *Corporate Brand Innovation* framework is put forward.
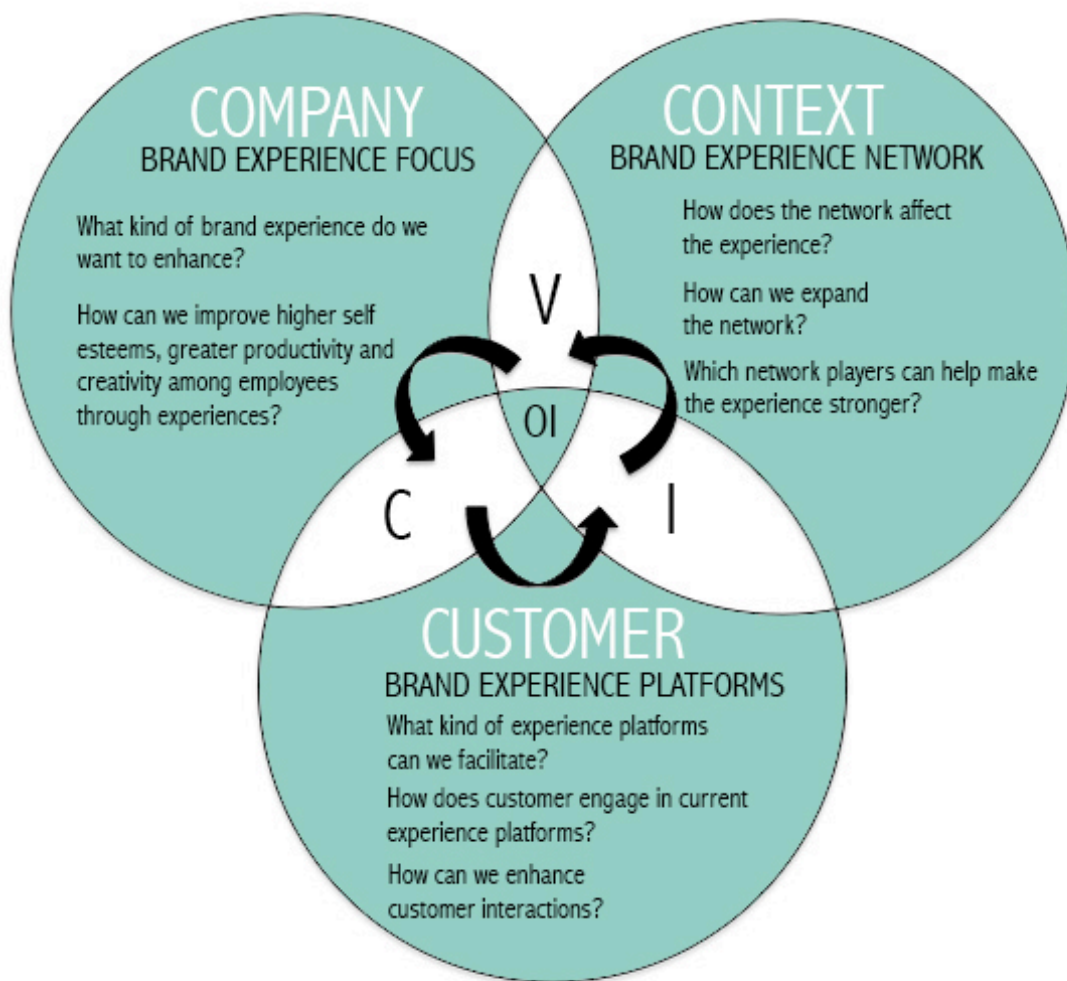
Figure 10: The Corporate Brand Innovation Framework (CBI)

The Corporate Brand Innovation framework builds on the VCI-model and the co-creation concept illustrated on the previous page. As one can see, the elements of the co-creation concepts form a mill, which illustrates the VCI-model. When adopting the co-creation construct a dynamic process begins as the co-creation concept assists the VCI-model. In other words, when incorporating the co-creation concept the VCI-model starts spinning and corporate brand innovation takes place. In the following a more specific description of each element and how they contribute to corporate brand innovation is presented.

7.1.1 Company - Brand Experience Focus

The first element of the corporate brand innovation framework is the one of the company and includes the *brand experience focus,* which the company seeks to create. That is, the brand positioning and its guiding principle so employees know how to act. It has to be noted that the company cannot create brand experience. What the company can do is to consider in which direction it wishes to influence the customer during value creation and thereby which brand experience focus it should have. As illustrated in the framework the vision (V) and culture (C) wing from the VCI-model goes into the company element of the corporate brand innovation framework. This means that considerations about employees and their experience with the brand are placed within this element. In most cases the employees are the first brand impression or experience a customer gets. An emphasis on the company's employees and how they can deliver brand experiences in the best possible way is therefore of high interest within the company element. When the VCI-model asks the question: *Who do we want to be and how will we be known,* the corporate brand innovation framework asks: *How can we improve employees' delivery of brand experience and how can we enhance brand experience among employees?* Prahalad and Ramaswamy argue that generating new experiences for customers often requires designing better experiences for the internal players (2010). For this reason a strong focus on employees are found within the company element of the co-creation concept.

7.1.2 Customer - Brand Experience Platforms

Customer brand experience platforms form the second element of the corporate brand innovation framework. The main focus of the element is the customer and in particular how co-created value through interactions can take place. The element is based on the view that co-creation is about creating experience platforms in which customers can create their unique personalized experience (Prahalad & Ramaswamy 2004a). Basically, one can say that the customer element has to do with customer touch points. But since only direct interactions can form co-creation not all customer touch points can be termed experience platforms. Examples of platforms include social media, online communities, events, and platforms, which encourage interaction among customers and their complementary brand network. The culture (C) and the image (I) wing of the VCI-model are placed within the customer element of the co-creation concept. As stated before employees,

illustrated through the culture wing, play a significant role when it comes to delivery of a company's desired brand experience. The image wing has to do with the image customers form of the company. Within the customer element the corporate brand innovation framework ask: *what kind of experience platforms can we facilitate, how does customer engage in current experience interactions, and how can we enhance customer interactions?*

7.1.3 Context - Brand Experience Network

The last element of the corporate brand innovation framework is the context termed *brand experience network.* This element is new to the original concept of co-creation in the sense that the network of both the company and the customer is seen to play a critical role in the value creation process. Grönross & Voima suggested that the resources and processes from other companies should be included in the co-creation view (2013). Moreover, and within a luxury brand perspective, it has been found that *"the experience is about interactions with other members of the elite and in particular similarly positioned brands"* (Tynan, McKechnie & Chhuon 2008). Consequently, a network aspect becomes important to incorporate within a corporate brand innovation framework. The vision (V) and image (I) wing of the VCI-model are placed in the context element and include suppliers, distributors, and the company's network on one side and influencers and customers' network complementary to the brand experience on the other side. The main focus of the context element is to understand how network players influence the brand experience of the customer but also to look for new network members, which can help the company succeed in co-creating an optimal experience for the customer. The context element seeks to ask the questions; *which network players can enhance the customer experience, how does the network affect the experience and how can we expand it?* By focusing on the context of the brand a more holistic perspective on corporate branding is putting forward. Moreover, the context element helps companies to not only focus on how to be engaged in co-creation but to be involved in the customer's life.

Summarized, the key elements of the co-creation concept – *company*, *customer* and *context* – formed as a layer on top of the VCI-model put forward a new corporate branding model termed the *Corporate Brand Innovation* framework. By introducing the co-creation concept a more

dynamic perspective on corporate branding occurs. Through a focus on customer experience and in particular how these can be improved it is possible to innovate a corporate brand. If misalignments between one of the three principles in the VCI-model take place, due to for example radical strategy innovation, the corporate brand innovation framework can help innovate the corporate brand. Moreover, even if alignment between the three principles appears, the corporate brand innovation framework can help innovating the brand and keep the VCI-model spinning through an endless focus on how to improve brand experiences.

7.4 Strategic Implications of The CBI Framework

The *Corporate Brand Innovation* framework has been presented. However, with the evolvement of a new corporate branding model connecting the fields of innovation and corporate branding a number of strategic implications appear, which need to be addressed, and possibly further researched, as part of adopting the co-creation concept.

Melting perspectives: Logically, by introducing co-creation to corporate branding, the innovation and corporate branding fields become more interconnected and hence interrelated. The concept of co-creation is derived from innovation management. By actively introducing the concept to brand management shared perspectives and similar management task within the disciplines seems to arise. For this reason, the fields become highly dependent on each other. Strategic value creation affects brand value creation and vice versa. As a result, the two perspectives begin to merge together, consequently in the future work together, and it becomes essential to manage and accept this evolvement in order for companies to stay competitive.

Strategic time difference: As a result of connecting innovation and corporate branding a need for managing two fields simultaneously appears. Back in the days, the aim of innovation management was to effectively and successfully managing new innovations derived from inside the company. Hereafter, it was up to the marketing department to market the product or service - a very straightforward 'A-leads-to-B-procedure' without further implications. However, through the evolvement of the co-creation concept, first adopted within innovation management and now within corporate branding, it becomes essential to not only view value co-creation under the same

umbrella but to manage co-creation processes almost at the same time. This appears strategically complex since especially corporate brand innovation can turn to be a long process. It takes time to make employees ready to perform and engage with customers in a desired way. This means that a strategic time difference can appear when aligning the brand with the strategic innovation.

(Even more) empowered customers: During the last years several scholars, experts and researchers have been touching upon the issue of increased empowered customers. No longer does the company own the brand and no longer can companies solely deliver brand value. Hence a potential risk occurs where customers can take the brand in, from the company's point of view, an inappropriate direction. By introducing co-creation to corporate branding this perspective only seems to emerge further. Consequently, customers will become more demanding and difficult to satisfy as they are introduced to more and greater experience platforms. It should therefor be recognized that a need for brand managers acting outside the marketing department trying to understand the lives of its customers seems as the competitive critical next step.

8.0 Implementation of the CBI Framework

In order to exemplify the applicability of the Corporate Brand Innovation framework (CBI) the following chapter will implement the framework on the case company BWA Yachting. Based on the empirical findings and my interpretations from the interviews the chapter aims to give a specific suggestion as to how BWA Yachting can innovate its corporate brand. The three elements of the framework: Brand Experience Focus, Brand Experience Platforms, and Brand Experience Network will be presented separately.

It has to be noted that BWA Yachting's somewhat multifaceted business model including customers (captains and charter brokers) and paying customers (owners and guests) makes the implementation of the CBI framework slightly more complex. The target customer segment of BWA Yachting is the captains and with the new exclusive guest services also charter brokers. However, the paying customers, owners and guest, cannot be excluded in a corporate brand innovation strategy. Instead, a fine balance targeting both the customers and the paying customers is asked for when considering how to innovate the corporate brand. In the following the corporate brand innovation strategy is presented.

8.1 Focus: Luxury Lifestyle & Yachting Heritage

The first essential element to consider in the CBI framework is the company element grasping the 'brand experience focus' of the company; What brand position does BWA Yachting want to enhance and how can this focus be strengthened among employees? The strategic change in the business model and BWA Yachting's wish to offer luxury concierge services came as a natural decision due to increased competition among marine service agencies but also as a result of the company starting to reflect upon the market it was serving. Super yachting is not about getting from A to B it is about having a great experience. Along this new view on the market and how to serve it an obvious change in brand focus appears. Starting to offer services of more luxurious character consequently require a stronger focus on how to push the brand in a more luxurious direction. In the case of BWA Yachting this is a very ambitious, however not impossible, goal. Today the BWA Yachting brand is a b2b brand, a service brand and a marine brand. A focus departing from the current marine towards luxury lifestyle therefore seems as an important

message to tell and act accordingly. However, tracing back to the discussion about BWA Yachting targeting both customers and paying customers a logical complex within the brand focus occurs. According to employees one of the fundamental premises of BWA Yachting today is to be practical to captains. However, if the company wishes to enter the market of luxury concierge services it would be necessary to make the brand appear more luxurious. Exactly this places BWA Yachting in a brand focus dilemma. Targeting the captains but at the same time owners and guest requires the ability to identify similarities and shared objectives among the two and hence combine it in the company's brand focus. The current value proposition of BWA Yachting is to help captains and crew to deliver and perform the expected. Reflecting on how this can be related to owners and guests, it can be argued that the current value proposition in fact grasps the interest of both parties; to deliver a top yachting experience. This means that a stronger focus on exclusive guests services not necessarily is uninteresting to captains since their biggest concern is owners and guests enjoying their time while cruising. Simply speaking, one could say that to offer exclusive guest services is a 'win-win' situation for both captains and guests. This means that a brand focus on luxury lifestyle experiences should be enhanced.

One has to notice that corporate brand innovation within an already established company like BWA Yachting obviously brings elements of what 'has been left behind' into a new brand experience focus. In other words, the brand is always path dependent. In the case of BWA Yachting this is not necessarily unwanted. BWA Yachting has been operating in the super yacht industry for more than ten years and the company has quickly become synonymous with high global performance and professionalism. It therefore seems reasonable that these already well determined values should remain and hence support a luxury lifestyle brand focus. Moreover, the current yachting image of BWA Yachting also influences the brand focus. The heritage of yachting stands as a strong brand building brick, for this reason this needs to be included in the brand experience focus.

Not only is an external definition of the brand focus important for corporate brand innovation. In order to kick-start the innovation process it is critical to look into how and through which co-created experiences and engagement platforms BWA Yachting can enhance the brand focus

internally and hence among its employees. From the interviews it was found that employees of BWA Yachting are proud of the global company and that they enjoy being part of the team. However, when it comes to the brand culture among the employees and to what degree they consider BWA Yachting as a strong corporate brand another perspective appeared. A reason for this is found in the difficulty in uniting so many locations and different cultures and hence encompasses one consistent brand voice. However, the empirical findings also stressed the importance of not boiling down the brand to something generic and stereotype. Based on this it becomes important to BWA Yachting to create an environment in which cultures can flow, where employees can feel more united and where a common understanding of the luxury lifestyle brand focus can emerge. As noted in the paper, better experiences for the internal players generate better experiences for customers (Prahalad & Rasmaswamy 2010). A first step to enhance brand focus is to communicate but also to educate employees in the new services. An online internal platform where top management can post different information and where employees can share their local news from the country or region could be an option. From the interviews it was found that to enter the market of luxury concierge services successfully knowledge is required. An internal engagement platform could also work as a forum for innovation. By encouraging employees to help improve BWA Yachting's services they participate in building the company (and the brand) and brand focus will be strengthened.

8.2 Platforms: Social Media & Concierge Review System

The second element of the corporate brand innovation framework is the customer. The element focuses on facilitating experience platforms in which customers can engage and interact. Basically the main objective is to spot how customers engage in current platforms and how interactions can be enhanced. In general, current customers (captains) of BWA Yachting are pleased with the company and the services it delivers. Moreover being global and present in all major ports is of high value. Being able to meet the captain and crew with the same faces every time a yacht returns to its homeport is, from the customers' point of view, seen as a competitive advantage. However, it is noted that the many different cultures can have an impact on how the brand is perceived from one location to another.

When it comes to start offering exclusive guest services customers do believe it would add value to the already existing marine services. However, when it comes to dealing with exclusive concierge services BWA Yachting is not truly believed to possess what it takes to succeed. It can be argued that customers' somewhat questionable view on BWA Yachting's talent in offering exclusive guest services is rooted in the current brand image. From a customer point of view, BWA Yachting is seen as a problem solver, not a sophisticated luxury brand. This view goes hand in hand with top management's view on BWA Yachting as currently being branded as a practical yachting agent. This leaves BWA Yachting with a first important task to inform and communicate their new exclusive guest services to captains and charter brokers. Today BWA Yachting's communication channels consist of mainly printed advertising in b2b yachting magazines, attendance at boat shows but also e-mail newsletters - mostly offline marketing methods with a heavy cost and no co-creation effect. For this reason, a next marketing step is to investigate the online marketing field and its many engagement platforms for interaction. Research conducted by BWA Yachting's marketing agency has found that the customers of BWA Yachting, the captains, are found on Facebook. It therefore seems important that BWA Yachting starts implementing a social media strategy including the online platform Facebook. From observation in both the Monaco and Switzerland office, it has also been noted that employees of BWA Yachting use the platform to communicate between one another. Thus it is suggested that Facebook is used as a platform to show the many faces behind BWA Yachting and the daily activities at the local offices worldwide in order to create a more personal branding approach. Moreover, and together with a new webpage, the platform should set the scene for the luxury lifestyle brand focus and engage customers in inspiring content about the yachting industry and BWA Yachting's services.

From the empirical findings yet another way of interaction with customers through engagement platforms arise. Noteworthy is that when it comes to the guests' preferences and their impression of a certain restaurant, club and in general well-being on shore, the captain and crew posses strong valuable knowledge of high interest to BWA Yachting. Paired with a great desire to evaluate and share information it becomes an interesting co-creation finding to reflect upon.

The captains are willing to share information and hence assist BWA Yachting in guest service improvements. However, captains also gain value in the sense that by excluding not satisfying

experiences (restaurants, bars, excursions) from the list they can make sure future guests are only presented with the highest level of guest services. A concierge review system rating all the different activities based on captains' and crews' experiences therefore appears as a great way not only to brand and inform about the new exclusive guest services but also to interact with customers and hence co-create value. Moreover it is noted among top management that when approaching captains at the beginning of the season and when they do get involved they seem to be more loyal and keen on BWA Yachting.

8.3 Context: Tailored Events & Exclusive Collaborations

The last element of the corporate brand innovation framework is new to the co-creation concept and not yet recognized within the original VCI-model. The element takes into account the context and how the relationship *among* customers and their network influences the experience and hence value co-creation. In the specific case of BWA Yachting the context element will focus on the network of the paying customers, the owners and guests, and not the captains and charter brokers. This is due to the fact that an understanding of how experiences are perceived among owners and guests is critical when designing the guest services and hence innovating the corporate brand. One of the most significant findings in the interviews is the one, which underpins the importance of super yacht owners and guests being surrounded by like-minded people. For example, going to the same restaurant to 'show off' the spending habits is said to be of high value, which consequently affects how an experience is perceived. Moreover, it is noted that many super yacht guests see super yachting as a way to avoid ordinary people and to solely interact with people who share the same values. Based on this it can be argued that network players, being like-minded individuals, play a crucial role in defining the overall experience. Thus, it becomes critical to BWA Yachting to realize that these network players in fact help enhancing the customers' experience of the brand. Tailor made events targeting the main customer segment including the attendance of people sharing a similar mind-set will enhance the perception of BWA Yachting as a luxury brand. To be more specific, and to incorporate the findings from the study of luxury branding and co-creation, what super yacht owners and guests favour is interaction with high-end individuals who can offer them privileged access to information. It therefore seems reasonable that BWA Yachting begins to focus on how they can involve other members of the elite and

thereby facilitates interaction between the customers and the network players consequently boosting the luxury brand experience. Another noteworthy finding to consider is the one of brand recognition. It is noted that already well-established brands are of significant value to super yacht owners and guests. Customers seek to identify themselves wit brands holding a strong brand history and heritage. To BWA Yachting this means that through collaborations with the world of art, fashion, and music the company can mark itself as a luxury brand supported by the collaborative brand. Specifically, it is suggested that BWA Yachting teams up with luxury hotels, fine dining restaurants and galleries who can help prove the luxury brand potential of the company. To BWA Yachting, the context element of the CBI framework is important to consider. The network of owners and guests is an essential yet indirect value contributor. Within this element of the framework co-creation takes up the sum of not simply the company and customer but also the context hence a better insight and understanding of the super yacht customers' lives appears.

Summarized, the implementation of the CBI framework illustrates how a more nuanced and dynamic view on corporate branding can help BWA Yachting innovating its corporate brand. Through an introduction of the co-creation concept a focus on engagement platforms and how to create experiences through interactions becomes the essential part to consider. Connecting the three elements; *company*, *customer* and *context* the corporate brand starts spinning and BWA Yachting begins the process of acquiring a luxury brand within the market of exclusive concierge services in the super yacht industry.

8.0 Discussion & Further Research

The CBI framework has been presented and exemplified through the case study of BWA Yachting. With the CBI framework follows reflections covering the use of the framework, its applicability potential on other industries and companies and how further research is asked for.

A first notice concerns the practical use of the model versus the ambition in the paper. Needless to say, management models of any kind have a tendency of looking more simple and easy to implement than what holds true in a practical setting. In the case of the CBI framework it is important to recognize that brand innovation requires resources to make the corporate brand spin. The framework is based on co-creation and in specific engagement platforms, which, besides financial costs, require human workload and focus to successfully work. Obviously, not many companies have the resources to focus on new engagement platforms and interactions within all three elements of the framework at the same time. For this reason, it seems reasonable to choose the most critical element(s) first. As already stated and in order for the CBI framework to spin, a focus on all three elements is required. However, a step-by-step process can be obtained potentially creating a better and more stable brand innovation foundation. In the specific case of BWA Yachting an internal focus on brand innovation involving employees in the new value proposition is the most critical part at this stage. However, a stronger focus on the end-customer, which until now has been ignored, is likewise of high importance since the corporate brand innovation derives from the idea of introducing exclusive guests services to owners and guests of super yachts. Consequently, the context element becomes important to consider at this point too. When it comes to the use of the framework on other companies or industries more research must be conducted. The framework has been created aiming to be useful for all companies and industries. However, and in order to verify this ambition, more case studies covering corporate brand innovation has to be made. At this point, it is therefore important to reflect and review the CBI framework on basis of the models' early stage of development. As the CBI framework appears today it has to be seen as a foundation for further research of the topic and as a new distinguished perspective on the corporate branding and innovation management fields.

9.0 Conclusion

The overall aim of this paper has been to address how the concept of co-creation can contribute to what is termed *corporate brand innovation*. Through a case study of BWA Yachting - the worldwide leader in marine services to the super yacht industry – a strategic link between innovation and corporate branding has been introduced as a new corporate branding framework is put forward.

Through a comprehensive analysis of the literature field of corporate branding and innovation management it has been noted that the fields have undergone the same development towards strategic considerations based on social relations. However, and despite the fields shared perspective and evolvement, the role of the corporate brand *in relation* to innovation has only been briefly addressed in the literature. A core argument of the paper states that in order to effectively and efficiently managing a corporate brand integrating corporate branding with the innovation field is critical. For this reason an attempt to combine the fields has been stressed.

In the research it was found that the concept of co-creation within the innovation management literature appears as an evolving and important value orientation process to successfully identify and implement innovation opportunities. However, when in the corporate brand literature dealing with rejuvenation or the strategic development of a corporate brand, the co-creation concept is barely taken up. This has called for a new perspective on corporate branding including the co-creation concept.

Based on a critical review on the most recognized and well cited corporate branding model of our time; the VCI model, the corporate brand innovation framework (CBI) has been derived. The main idea of the framework is that by introducing the concept of co-creation, and in specific enhance interaction through engagement platforms between the company, customers and context, a more dynamic and innovative perspective on corporate branding starts to emerge. Through a case study of BWA Yachting the CBI framework has been exemplified in order to show its applicability and to suggest how BWA Yachting can innovate its corporate brand departing from a marine agency towards a luxury concierge brand. The framework has proven actuality and it is assumed that further research on the topic potentially could place the CBI framework in the heart of the next generation of the corporate branding field.

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Appendix A

Transcription of interviews

Julian Madsen – Commercial & Marketing Director, BWA Yachting

Face to face interview at the BWA Yachting office, Monaco (45 minutes)

Main purpose of the interview: To understand the wish for a new value proposition, BWA's plan for business model innovation and the company's brand and marketing activities.

First, could you please describe the core business of BWA Yachting?

At this point, the core business can be described in one sentence: global shore support to yachts sold through captains. We don't charter or sell super yachts we help existing ones with practical issues when in port. We are a service company helping captains and crew and our main purpose is to help them to deliver what is expected.

What is your main service?

It is difficult to narrow down one main service. When a yacht chooses to use us we charge an agency fee, which is based on the size of the yacht – in the yachting industry a yacht is defined per meter – and how long it is going to stay in port. Included in this agency fee are all practical marine services. That is berth reservations, provisioning, refuelling. Anything the yacht needs when in port. The agency fee is our main business and where we earn the money. However, we also get commission when 'selling' fuel, provisioning, booking restaurants and renting water toys.

Who is the main customer?

The captains. Even though the captains are not the paying customers. The owners or guests are. However, the captains are the gatekeepers to our business and for this reason we treat them as our customers since we only occasionally meet or speak to the owner. The captains are in charge of the super yacht when cruising and only the captain decides which agency to use when in port.

I know that BWA are seeking to make a change in the value proposition. Going from simply marine services to including guest services. Can you explain more about this? What change in the business are you wishing for and why?

Marine services targeted at the yachting market are experiencing increased competition and commoditization and at the same time they are mostly targeted towards one decision principle being the captain. When we look at the business we are in it is really all about leisure not marine. About having a good time while on board not getting from A to B. In this respect it makes perfect sense to consider how BWA can tap into new value added services not aimed at the captain but rather at the guests on board as well as the charter brokers responsible for planning the holidays.

What exactly are you planning to offer?

In specific, we are looking to support the planning of the cruise from an itinerant point of view. This means tailoring the individual guest itineraries: which islands to see, which beaches to visit, which restaurants to eat at and when to go and where. Moreover we are looking to partner up with a global concierge company which will enables us to keep an on going relationship with the principles throughout the year. We have to keep in mind that yachting is just one type of holiday for these ultra high network individuals. In the winter they go skiing, planning a wedding, celebrating their birthdays. If we stay relevant to them only two weeks every year we are never going to be top of mind.

I understand your wish to have a relationship with the customers throughput the year and not only during the yachting season but I guess a first step for BWA is to offer concierge services during yachting. How are you planning to start it?

We are a yachting company and we will remain that for the see able future. This means that the direction we take towards guest services will focus on yachting whereas a partnership with a non-yachting concierge company will able us to tap into this market without having to focus on it ourselves.

Basically, today our brand is a b2b brand. It is a service brand and it is a marine brand. It is hard to imagine that guests will come to appreciate this brand as a leisure and luxury brand any time soon. When it comes to this type of client we find that they are extremely difficult to reach directly. For BWA the main guest service opportunity lies in reaching out to charter brokers, family offices, PA's, or owner's reps, and to some extent also captains. To all these gatekeepers we will promote our services whereas guest and owners themselves we need to create or acquire a separate brand. The main idea is to acquire a brand within the concierge market and corporate it into a house of brands.

You may argue the same with respect to the captain sailing a ship. The luxury of paying the captain not 3.000 but 30.000 euros a month is the result of him shifting his role from transportation to lifestyle and travel management. As I mentioned before marine services are being commoditized and proof difficult to differentiate. One clear example of that is the traditional shipping agent scattering predominately to the commercial shipping market. Today we see that they are actually taking over part of our role for the bigger yachts. Our only alternative to stay relevant in this niche market will be to evolve our services and our brand in the direction of lifestyle management, and leisure travel. To the guest that we are working for the greatest luxury is time. If we can make the value their time, even slightly greater, or if we can improve the value of their time and be sure that we are recognized for that it will be worth a lot more than for instance a ranging formalities for the captain when in port.

Hmm.. Quality, reliable, and global.

And will this remain the core values with a change in the value proposition?

By shifting from a marine brand towards a more wide encompassing brand we need to put a greater emphasis on emotional values such as experience and enhancing the trustworthy.

How do you market the BWA brand? Through which channels?

First of all let me tell you that here is a big difference between how we did it 12 months ago and how we will do it in 6 months time. We used to focus on image campaigns and brand awareness in traditional b2b industry magazines predominantly read by captain and crew. We will do some publicity work part taking in articles and such and we would attend the main boat shows in Europe and the US. One of the things we found in the past 6 months is that the effectiveness of this rather traditional approach to branding has proven somewhat questionable. On one hand we have successfully created brand awareness but at the same time the sole image focus on our communications have put a question mark on the degree of our novelty and the level of differentiation of our services. At the same time we found that some stakeholders, namely captains, consider us too much of a conglomerate without the personal and local touch. At this point in time we are working with a marketing agency to do a complete rebranding of the company in order to better stand out in the marketplace. Highlight out points of differentiation and prepare the branding platform to encompass the new portfolio of guest services that we discussed earlier. My guess is that the future channels of branding will be much more focused on digital platforms including a complete redo of our website, use of social media, and a different take on our attendance at boat shows. We plan to adopt elements of e-business and we find that often the sum of captain experiences and opinions are even greater then our internal collecting experiences so why not utilize some of the online technologies that we have available to engage with our primary stakeholders?

How do you make sure that the customers can interact with the BWA brand? For example do you use social media, special customer platforms, organize customer events etc.?

The short answer is we don't. As I mentioned earlier the lack of digital marketing is restricting our ability to effectively engage with our clients. Moreover I think that there has been somewhat of a reluctions to do so. Needless to say going forward this is bound to change. Besides social media,

we will adopt key account management principles, an electronic feedback loop after invoicing, and partnerships with selected media groups focused on content marketing rather than advertising. These examples are some of the initiatives we are planning in this respect.

With such a diverse range of cultures and locations it must be difficult to make sure that the BWA brand stands for the same in all marinas worldwide? How do you cope with that?

It is. However, to dress such a challenge in my opinion entails the brand to encompass and embrace the variety of local cultures. We are in the business of selling itineraries to some of the most exclusive and exotic destinations this world has to offer. If we try to boil down our brand to something generic and stereotype I think we will fail.

According to you, would you say that there is a strong corporate brand culture among the employees of BWA?

Yes and no. When you go to an office you will meet staff in uniforms proud to be part of the BWA family. You will see offices with logos, and when you write us an e-mail we will write back with a nice e-mail signature. However, employees and local management are not always catering to service quest in a uniform way. The tone of our local outgoing communications is not always conform and among most staff the brand is perceived as a very physical device, which does not in their perception encompass the full meaning of corporate branding.

With the concierge services you want to offer - what experience does BWA seek to create and deliver?

First of all, it is not going to be a 100% BWA product. It will be branded under a different name and values. The experience that the brand promise will be delivered is something tailored and exclusive beyond the traditional meaning of the word. It is something year round and it is something that assumes an authoritative voice when it comes to travel and lifestyle management. For obvious reasons this brand promise is something our local staff is not able to deliver. This being said, we believe there is a great operational synergy between having a global concierge brand and an entire BWA network ready to execute.

BWA are probably not the first to offer luxury concierge services – how are you planning to make the BWA concierge experience different from the rest?

By building the heritage around yachting. Yachting is not only a segment of the travel industry; it represents the odd most of discernment. Here we are dealing with people not taking no for an answer and a market beyond private jets and six stars hotels. We feel that there is a real opportunity to differentiate a brand in this extreme niche market and yachting has so many great heritage values that we might play with when creating the brand.

Nikolaos Patsiokas – COO, BWA Yachting

Face to face interview at the BWA Yachting office, Lugano, Switzerland (45 minutes)

Main purpose of the interview: To understand how a new value proposition will affect the daily operations of BWA yachting.

First, could you please describe your role as COO here at BWA?
What is your main responsibility? Your daily tasks?

Well, the corporate structure of BWA is not actually a 100% corporate structure because in every unit, in every country, we have a form of an individual company. Within these individual companies we have the ownership, let's say all the majorities, and then we have the local managing partner which got the minority but let alone they are individual units so in theory we are not a corporation. So my role as the daily operator is a fluid kind of role. I look after the overall operations management of the company, and this is done through the electronic platform 'BWA2' where I am dealing with performance management from every country and how they actually manage to offer the services. Every country is different. I am not held directly responsible for operations of every county because we have the managing partner. So I am a support mechanism and a reference point for all the countries. So what we are trying to do through corporate operations was first to bring everyone onto the same platform and try to streamline the operations of every country. Further there is a lot of HR management within my role as operational manager. You have to be aware that we are a service company so really what we offer in our product is really a result of the actions of the people of the ground. So from the operational point of view we train them. Then the operational team are also looking at the IT. The way the local offices in every country use the technologies. Most of our job is on the mobile phone, tablet or computer. Then we are looking at quality management and quality control. The simplest process is to look how we answer the phone to how we make a booking. Unfortunately, because we don't have training modules, it is a little bit difficult to create an international agent but then again the job becomes a little bit different depending on the market. What I am trying to say here is that there is a big difference between let's say the Spanish mainland ports and the Croatian mainland ports. Because in Spain we are looking at the business of 10 to 11 months and in Croatia

we are looking at only 6 months, so what we are interested in locally in Spain and Croatia are two different things. Because the countries vary that much we try to do best practice.

What I also want to explain is that there is the reality and the model thing. In reality the operational manager looks after the operational principles managed through the best practise and then his objective is to bring that performance on all segments of all countries. But what we do here is a little of duty management, meaning that I am switch on. That means that a client or a partner or one of our people can call me with problems. Complain management is a big thing that we look after as well. Here at operations we also have a lot of data. Through the data we can make decisions on locations and services. What I am saying here is that going forward to a coming client service we, when I do monthly reports, which again vary from country to country, can look into the service profitability. So you say that in comparison to the two last years we have 120 services some of them are a lot more profitable than others depending on the boat. So we draw conclusions from that and then we say ok this segment of services we need to develop because there is money in it and the other services which are time consuming and not a lot of margins we need to cut down.

I know that BWA are seeking to make a change in the value proposition. Going from marine to include guest services and to have a stronger focus on luxury concierge services. In your opinion how will such an offering affect the daily operations in BWA?

We had both in our previous services. It must be noticed that what we are trying to do know is kind of separate in a sense and push it in order for people to understand the real value of guest services. And we started to think about this when we first did a service segmentation reporting. It was very obvious that some offerings and hospitality services codes where extremely profitable, like event management for example, because the cost was very low. From a client perspective – a captain – an inexperienced captain is not a VIP concierge specialist. The captain knows primarily how to navigate the boat and take it from one place to the other and then we rely on other people of what the countries has to offer. We have been doing this as part of maritime services and hospitality services. So when we are dealing with a captain we never differentiate. So we are solving the maritime service and getting them in and then we say ok while you are in this it what you can do. But there was not a lot of focus on customization and so forth. What we are trying to

do now is to say to the captains; this service would make you look a lot better in the eyes of your guests and your owner because you have a partner, which sorts out all you other needs plus the main responsibility which is what every port and every country have to offer. Greece was one of our first locations where the local office started to do concierge services. They experienced that people wanted to return to Greece because of the beautiful water and then they took advantage of that offering the guests and owners guest services, so they could experience new things.

From an operational perspective, what does it require to succeed in offering luxury concierge services?

Knowledge first of all. what I say, and what I have been saying to my operatives from day one is that in order to be a successful super agent you need to know your country, be proud of it and promote it. Then you need to know your region. In fact you need to know your region even better. And then of course you need to know your port. So knowledge is key because subject to the preference you need to have a database of options in you head in order to combine the client reference with what can be done and remember that this is not static knowledge like the ports and the maritime services. A port is a port. It is 3 meters deep and it is not going to change next year. But going to for examples Rhodes you have three millions things to do. So to start you need to know your location and then you need to be emotionally smart. Because when we talk about experience there is a lot of emotions in yachting. You need to be aware, that creating an experience is not everyone's cup of tea. Some people don't have the passion and they don't have the imagination to think that somebody wants to have dinner in a pool placed on a top of a mountain with eels in it to tickle your feet. You understand? You need to have a lot of imagination to create something that is not the norm. And here I am talking about the highest level of clients on the planet so your imagination needs to run wild. If you don't have it. Forget about it. That's also why have decided to team up with someone who have knowledge about the process.

What would you say are the core values of the BWA brand?

Hmm.. We are the biggest. We have the biggest coverage. We have a very nice logo. ;)

Yeah,. I just saw the new one and it is lovely. But core values… What I mean is that our name is in peoples head through progression. The client that have been in games for year know that we are the best global agent. So a lot of our loyal customers know the story and they have grown with the brand.

Will you have to change the values with a new value pro?

Yeah, we will have to change it. The problem is that we are still branded as yachting agents. And being a yachting agent is to some extend still a very standard and helpful job. That being said, we are of course agents. But we want to be more than that. When people see the BWA brand they expect some kind of quality and price. We are not cheap and we don't want to be cheap.

In your opinion, how does the BWA brand differentiate from competitors'?

We want to believe that we are different because we are the biggest company. The biggest networks of agents. We cover the most ports and marinas. And we have competitive advantages that competitors are not even close to have. We operate from our own build platform with our own software house. So our priority is to consolidate and create a global value proposition.

Does the current brand fit with a new value proposition?

We could make it fit. Because when the brand was conceived the thought was that we at some point should move away from the very agent look but we just haven't. So yes we need change. And unfortunately people are not educated. So there needs to be a great effort in educating our clients and stakeholders once again. So they way I see it, it is paramount that we have a re-launch. Paramount!

According to you, would you say that there is a strong corporate brand culture among the employees of BWA?

No. I have made this into my own personal quest four years ago. I have tried to implement a certain philosophy that turns into a culture. I thought it was important to create and tell a story. A story about the company, the story of the brand. Who we are, what we are about, where we want

to go. However, it is still not managed properly meaning that we only have few elements of a strong brand culture. We have never had a training course for agents to represent the company. We try to be consisting with some direct messages and methodologies but at the end of the day I cannot guarantee that my agent in Mallorca and in Croatia will act in the same way. The problem is that the only joining circle between the locals and the corporate is me. The previous commercial team were not speaking to the locals. So it is difficult for people to know where the brand is going. We are about to change this, but back in the days we had one shitty seminar. So three years ago I started to point my concern about the distance. But hopefully with a new team, and Julian facilitating this process, we will achieve something.

In your opinion, what do you think the BWA customer value the most? In this respect the captains.
That is a very vey good question. Because, the tricky part to differentiate is the value of the agent because the agent is a fixer. The agent is a lifesaver. At the end of the day when the captain is really being pushed by the owners or guests to deliver in a specific port the agent is simply a saver. To be specific captains enjoy efficiency, speed, and the big information that we have. Instead of making ten different inquiries the captain can make one inquiry with us. And when a captain start to understand the structure of BWA they stop working with different local people and they start to call us because they know that we can help worldwide.

Would it be possible to involve the captains even more in the creation of the BWA experience?
It is proven that when we start to approach the captains in the beginning of the season and when they do get involved they seem to be loyal and keen to use us. But the big problem is that it is very difficult to standardize. There are many different types of captains and vessels. Depending on the size the captain has different roles and responsibilities.

Barbara Tomic – Local Agent, BWA Yachting, Croatia

Telephone interview (20 minutes)

Main purpose of the interview: To understand how a BWA employee defines the BWA brand and what experience the employee seeks to deliver.

First, could you tell me a little about your role in BWA? What is your responsibility?

I am an operational agent her in BWA. My job is directly related to the boat and when it comes into the port. So it is more on an operational level rather than from a marketing or business sort of side. And that included any types of control, provision, and anything from custom forms to fuelling. I cover every aspect that the boat will need while they are in our area.

In your opinion, in which way differ BWA from other marine agencies?

I would say BWA is more unified, it's more professional and that is partly because of the image we try to uphold. And this image is visible through our every day dealing. So compared to other agents we have a tighter more unified network and you can see that from port to port. You can see that from uniforms, to contacts, to you know everything.

Would you say that BWA has a strong brand?

I would say yes. It does. I think for the region it is in. The brand is very strong. Given that BWA covers Europe, the States and in general are worldwide. And in Europe BWA is quite a strong brand. And it is very difficult to unite all countries together but BWA has managed to do that. We also have a strong brand due to the other associations that we partner with. Like A1 and Luise. They are very visible as well.

Would you be able to describe the BWA brand in 3 words?

I would say it is professional. I would say it is connected and I would even use the word high-end. Not in an expensive sort of way but you know we are top players in the field.

Working in the super yachting industry means serving customers who has a strong desire for luxury. Would you say that BWA is a brand with a luxury appeal?

I would probably give it a 7 out of 10. A lot of times it's the captain and it's the crew that deals with us and we may not deal with guest as much as we would like to. We defiantly do understand the luxury desire. Even though we don't have the direct contact we have an indirect contact trough captains and so. We are like the middleman.

Would it be of any value to make the brand more luxurious?

I think it would. It would but then at the same time when dealing with captains we can't be luxurious with them we have to be practical. We need to be you know affordable to them. Whereas to guests we need to be luxurious you know a bit more glamorous.

What about the brand culture at BWA; is there a common agreement about what the BWA brand stands for among employees?

In general working for BWA is satisfying. So many cultures and people.
I think there is a common agreement about the brand within the offices and within the countries. But I think from country to country I think we aren't there yet.

Is it because there are too many countries and cultures? And do you think it would be possible to create a stronger coherent brand feeling?

I think defiantly that it is possible but for example I don't know who is in the Spain office. I only see her name on a contact sheet but I don't know her so that might be a hurdle in trying to connect the brand. So you know you have all these virtual colleagues and you work with them and all share the same name and the same image and the same company. But that's an internal thing to take of regarding the branding image.

In your opinion, what do you think the BWA customer value the most? In this respect the captains.

I think that what they value the most is efficiency, proper advise, that we know the rules and that we make their life's easier as a result. But efficiency is a key thing for the captains.

Far as being a yacht agent in the end it is a very loyal relationship. So captains usually keep coming back because it is one of this touch of business where you really don't leave one company because another one is cheaper and then go back and forth. It is really a relationship that you try to maintain for as long as you can.

As a BWA employee, what experience do you seek to create and deliver?

Everything that we do every day is an experience that will help the next time around. Because every day is dynamic, this job is very dynamic. We come to work and we don't know what is going to happen. We know little things but a lot of things become unexpected and that's when we the experience really have to kick in and we need to take care of things. And when things happen we are prepared for the next time something similar should happen.

Is it possible to make the BWA experience the captains perceive even stronger? For example could you approach the customer in a different way, with new communications methods?

Defiantly. For example this season things happen within our cities. New restaurant are opening. Having everything prepared and maybe given to them pre-season is one of the ways we can smooth out a lot the things during the season.

How do you help clients today with restaurant bookings and water toy rentals?

Usually they approach us and then we come back with what we have to offer. If a boat comes completely clueless about what they want to do or where they want to go then we give we them a general list of what our country or city has to offer but we also go through different questions about the guests. Are you with kids, are there older people, are there younger people, do they like to party, do they like toys. You know, we try to know as much about the client as we can before we offer anything.

Do you share your own customer experiences with the rest of the BWA team so they can learn from them?

That is a big help. First of all everything is so confidential so we can't share that information. We are each other's support team, we are each other's shrinks, but we also learn form each other's stories and experiences.

What about, when for examples you advise guests on board a yacht going to a restaurant. Do you follow up with the captain? Did the guests enjoy it?

Defiantly. If we recommend a certain restaurant then we speak to the captain the next day to hear what the guest thought. Did they like it, have the restaurant changed since last time. This is really good feedback because that's the only way we should know if we should continue to recommend it. That's the biggest help that we can possible get.

Brieuc Audebert – Country Manager France, BWA Yachting, France

Face to face interview at the BWA Yachting office, Antibes, France (45 minutes)

Main purpose of the interview: To understand how a BWA employee defines the BWA brand and what experience the employee seeks to deliver.

First, could you tell me a little about your role here at BWA? What is your responsibility?

Basically, I am the managing partner of the company. I am head of operations and managing the operations of the company. I am reporting to the shareholder and to I am working in collaboration with the corporate office.

How does a general day here in France looks like?

Well, we are mixing, which is difficult in our activities. We are mixing the long term with the day to day operations work. Our work is very seasonal. During the summer period from May till September all the yachts with owners and guest are visiting and then during wintertime all the vessels go to the port for maintenance. And exactly this is what is a bit difficult. You arrive in the morning and say, today my aim is to set up a winter berth for a big vessel, to negotiate the rate so we can have an income to cover our coverage during winter and after 5 minutes you have a little boat of 20 meters which say: please, I want to change from one port to another and I want to make sure that my boss he is happy. You know. So basically we are mixing a berth for a 82 meter vessel with daily requests from our clients. In this industry everybody is waiting for the last moment to organize this type of services. Everything is available from the internet. People are used to travel in the last moment and book in the last moment and then they call us in the last moment.

(Phone calling. Brieuc is picking up)

Sorry for that. It was one guy who had booked a table long time ago for 9 people in Club55 in St. Tropez and the table is there, but they haven't showed up. So now we don't know if they are

coming or not. There is a huge cancellation fee at this time of the year so… Now I have to go and contact the owner.

Does this happen often? That the guests don't show up?

The thing is that it is difficult. St. Tropez is a big place. People are most often going there for party and when you are partying you go to a club the day before and then the plan changes so now it doesn't fit to be there at 12 for lunch.

In which way differ BWA from other marine agencies?

The most important point is that we are a global company and that we have a database which enable us to manage crew and exchange information and this is the most distinguish element in our company.

Would you also say that this is your main competitive advantage?

I don't know. Because this market is not a mass market it is a niche market where we are dealing with individuals. So it is very difficult to make a profile of a client. They differ from each other so everything is custom made. What we are trying to do is to implement a global policy, which enables the vessel to be a bit more organized. At the same time we are working in the traditional way where we work trough relationship. A challenge of the BWA group is to being able to modify the roles and habits.

Would you say that BWA have a strong brand?

The brand is not to be discussed anymore. Everyone knows BWA as much as they know the founder and partners of A1 and Luise – the associates. So I think the brand is very well known. What is not really known is what service we are providing and what we can do for the customers.

How do you think you could improve this? Telling your clients which service you are offering?

First we ask ourselves: What can we exactly offer, which is a good start. This company is based on very experienced people but all of them have very diverse knowledge and experience so we are mixing some strategy consultants with people for example a CEO involved in the shipping and

myself I have spend 15 years dealing with stock listing companies so everybody has a lot of experience but the thing is that we have to be complimentary to get the added value of everybody and get the best but it is not that easy. There are also cultural differences between the people and the business model of the group is very complex with local country managers. This means that if you have a problem with the local managing partner what do you do? The reverse is also true because if we see something we should change with strategy we need to have a final agreement from the shareholders, which might not be able to understand the conditions in the local market. Each country is very different.

But is this diverse range of cultures and locations also what makes BWA special?

The thing is that if you have many different cultures and experiences it is good if you can add some positive added value. But if you are not able to do this and is everybody is working in their own direction then it is not good for the company. And again, before I joined this company I had a small agency and basically when I visited a competitor, a boat assisted by BWA, I was claiming the captains and the managers: why do you want to use a big group? They are probably dealing with 1000 vessels and they don't really care as much as I do. I am local and only have 30 clients so you will have a very personal service. If you are big there should be a good reason. If not, it is better to be small and flexible.

So why do you think the client are using BWA today?

The first question we need to raise is why do someone needs an agent in France? The French area is very different from all the other countries. Here in France there is no obligation for any vessel regarding clearance as much as there is no immigration control and there is no obligation to have an agent. So basically it is a kind of free area where you on top of that have a lot of competition because any provisioning company will open an office in the area making the job of the agent less important. Therefore France is a paradise for vessels and it is also one of the favourite destinations in the world because we have Monaco, St. Tropez and Cannes and they love to come here.

But still the vessels need an agent for refuelling for example or?

Yes, they still do. But then our added value is a bit complicated. To give you an idea of provision, if you have a 60 meter vessel you have about 60 companies that could provide you with provisioning and we do supply the services through a third party so you can imagine how difficult it is for us to justify the work. In this respect we don't offer any added value. The thing is that our customers will probably say; ok I am using them for everything and they are global, so I will use them but if you ask me we don't offer any added value. So what I want to say is that it is a bit complicated working in France seen from the agency point of view.

That leads to my question about BWA making a change in the value proposition. Maybe it makes sense to focus more on guest services if competition is so strong?

I am not so sure because the guest service is a very mature market so if you want to book anything today you don't need any external agent. Imagine if you call the Palma D'or at the Carlton hotel in Cannes and ask for a table for 4 for tonight they will probably tell you, sorry we are fully booked. If the PA, first officer or a yachts owners right hand call and say I am Nicoline, I am the personal assistant of this jetsetter then they will say; yes, we have a table for you. So the point is that all our clients are rich people, some of them celebrities and royalties with no problems in getting a table. Also, we all use the iPhone today to make bookings and you are able to look up any new restaurants and spas. So I really don't believe in this kind of added value and guest services. The France is too competitive.

But don't you think that some of the guests would be interested in asking a local for advice?

If you own a vessel worth 45 million euro, and every year it costs you 2,5 million in operations, you have 15 crew members on board and you have employed a nice blonde chief stewardess with great experience in hospitality so you expect that she would be able to organize everything for you. So why spend fees with an agent when you are already employing a lot of people and paying them quit well. So regarding the guest services… If I summarises a little bit of what we doing today we are just helping people that should know how to organize and do the guest services. We are trying to hide the little bit of cost.

So could you elaborate more on the general inquiries for concierge services today at BWA?

I will only talk about the France market. But basically, it is different from where in France you are located. One is jetsetter destination like St. Tropez where you go for party and then we have the rest of the coast where you have a lot of different offerings. So what they in the most of the times are asking for is transportation. So for France the main services are limousine and restaurant and club booking.

But in this case the guests know what they want? They simply ask you to do a booking a particular place that they already know?

Yes. The rich people like to go to the same places because they think it is good value for money. It is good for their ego as well. So if you told them that you have found a little restaurant in the outskirt of Nice then they would say; oh.. fantastic but we don't want to go there. They want to go to the Palma D'or in in la Croisette in Cannes and they want to go to Club55 so the name of the place is very important. And this is valid for everyone. At least from my experience. I know some owners and what they want is the brand recognition. They want to go to Cipriani. Not only because it is good and expensive but because it is good to say that you are going to Cipriani. It is luxury branding basically. For example you not just buy a Louis Vuitton bag because it looks good because if I offer you the same bag without the branding you might not even consider buying it. And this is exactly what they are looking for the rich people. Therefore, you really have to know them to be able to convince them that you have found a new place, which is not known but it is really fantastic. But you must know him very well.

But in most of the cases you are dealing with the captain or first officer?

Yes the captain or the charter broker. And in most cases we don't have access to the preference list of the guests on board.

Would you be able to describe the BWA brand in 3 words?

Not really. Let's be honest.

The group is 10 years old but for me it is relatively new. I think that in order to build a brand you need a lot of time and investment in the employees and the corporate people. You need a lot of marketing and communication work. For BWA there is a lot of work to be done in order to have a clear communication of what we can offer. As I told you the brand is known. Ok, know they want to change the logo but it doesn't change anything. Everybody knows BWA. If you ask 10 managing partners about what BWA is offering you will probably not get the same answers. However, this is normal because each area is very different. You have countries where you are working full year and others where the season is only one month and a half and areas dedicated to more technical operations and then we have the jet set destinations. Then you have winter and summer times because we are also operating in the Caribbean. So it is difficult to harmonize everything. It is a kind of patchwork I will say. And as the same time everyone has to feel comfortable to wear the same umbrella but still. You have to notice that our added value today is our local capacity to help the guests and owners. If I was not French and haven't been working in the industry for years I would not add any added value. We have to know the boat, the industry, the region including the port and restaurants. If you know every thing from your area and at the same time work for BWA then people get the confidence.

Well, we are seeking to provide the vessels with flexibility, efficiency and professional assistance.

The clients are divided in two. First, you have the captains for the vessels, which are privately managed. Or you have the manager of the vessel. So in this case you don't discuss so much with the captains but with the manager. And then basically, there can be a conflict between the captain and the manager.

Why?

Because the captain would like to organize things himself. All the crew and services. And the manager would like to do the same. So it is true that most of or clients are the captains but it is also because that we have chosen this approach. To target the captains.

So do you think the approach should be different. Should you start target managers?

Yes. The managers are managing all the accounts and they are very often managing more than one boat, which means that if you work with a fleet manager you are probably going to work with 5 or 6 vessels. You also have to bear in mind that this is a niche market. They work with me because they know me, and they are pleased with me or in this case BWA.

But it is interesting that you think that you should focus more on the mangers than the captains.

The responsibility of the managers is more important. Also, you can only have access to the captain during summer time he is in operation. And when you talk to the mangers you talk to a person who is managing vessels year around. This means that you can also discuss or offer services during winter time and through that offer added value.

Could you come up with an idea or example of how you could change this approach? What has to be done?

Well, by having a different profile. Prepare the meetings and start thinking like the manager. What could be interesting for him. But it is a complex industry and nothing is easy.

Richard Peacock – First Officer, Zenobia, 84 meters, Monaco

Face to face interview in Port Hercule, Monaco (30 minutes)

Main purpose of the interview: To understand how the main customer segment of BWA perceives the BWA brand and what they value.

Being a first officer on a super yacht, what is your most important role?

Well it can quite varied because in the day to day running of the boat I am basically supporting the captain, managing the crew and I am making sure that everything is running smoothly. That is from one side. Then I am also taking care of all the administration. I am in charge of the safety and what the crew are doing. So that is the main works. But everyday I am a problem solver. I can be posting invoices and do a lot of research for the coming future. So this would be the ideal side when we are a long the side here in Monaco. But then when the guests come around and before they get on board I still maintain this work but I then start to shift into a concierge role. I book and I arrange the ports. I am arranging the logistics. I arrange all the berthing on the boats but when we are in Monaco I don't have to arrange because this is our homeport. So I mostly arrange during travel. Also with the guests, when it comes to going to a different ports or areas, I will go to the restaurants and I will inspect the restaurants before the guests visit to make sure that the restaurants are what they like. So you are checking if the tables are square or round and the view of the table. Checking the wine card and the menu. When it comes to the drinks it is very easy: I look at the card and if I am unsure about things I will ask if we can bring our own wine and then we can pay a corkage. This is basically due to the nature of our owner and what they expect.

But you know the owner very well I guess?

Yes. I have been here for just over four years so I have been working five summers with these people so I know what they like and what they don't like. So it makes things a lot easier. So when they say that they want something simple I know what to look for. The longer you work for the people the more you start to learn about them. When it comes to entertaining them we are

always striving to give them the best we can. And every time we want to raise that bar. Of course at some point you can go any further but you try to maintain a high level as possible.

So you never use external help for booking and planning?

Yes I do. It is impossible to do this without external help. And this is where BWA comes into the picture. We use BWA here in Monaco and over the years BWA has started to grow and showing up all over the place, which is great. Because.. before we had to use different organizations but now, only dealing with one company, have its benefits because you start to get familiar with the people that work for the company. You get to know people on a name basis, which is nice. The privileges are that when one agent got your details and then when you go to a foreign port they can just send them over by e-mail. That is one of the main advantages of having one company that serves n many different countries and that is the good thing for them and their business. It might not be the perfect way for the yachting agency industry because it means that they could get a monopoly. I know that a few people have some concerns about that but to me its fine. The way my head works is that once I like using an organization and using a brand I like to keep it. I love the fact that BWA do what they do. It is great. The more efficient they get the more easier they make my job.

Can they get too big?

People can always get too big. They can. The question is down to the people who run the company. The top. It is down to them to ensure that if they do enlarge they keep things in perspective. Going off the subject of yacht agent service you got other companies, which serve the yachting industry. They start up as a small company and they start to expand and sometimes people get too big. The service goes down and it is hard to get it back because of bad reputation. So with a company like BWA, if they wish to progress and get bigger, it is really important that they do it in a right way. They have to focus on the service. If they provide a good service then the money will come. If you are too greedy something can slip.

What do you value the most when using BWA today?

Well, ever since I started to come here in Monaco they were not BWA they were Monaco Port Service but they merged into BWA. What I like is that I see the same faces. We had the opportunity to go to different agents and companies here but the service we got from BWA is very good. We got the same faces, which is nice. The other nice thing is that when you travel I will go into one of the BWA offices and I will speak to the girls and the guys and very often they say: Where are you going? To St. Tropez. Well, we have an office there as well. I know that they are presence in many places. I don't look at their website. I just hear about it trough word of mouth.

Do you have the same impression of the brand when going to St. Tropez, Croatia or Greece?

Not everywhere. To be honest no. But that's not negative. I think that because we know the people here at the Monaco office so well and personally I think we got a different impression of BWA here than anywhere else. The relationship plays a big role of how you see the brand. If we started to visit some places more often our relationship will of course get better.

So being very specific, what exactly do you value the most?

The most important thing is that they give you what they want.

When thinking of the BWA brand, what first comes to mind?

Friendly, helpful, committed.

Could you think of a better way to interact with BWA today? Through other communication channels?

The good thing about social media and mobile phones is that is brings people even closer. But in terms of how that can improve their communication… They can always improve. But the most important thing at the moment is that they maintain. You are always having employees coming and going and some are of course more passionate than others. As long as they can maintain a benchmark level that's fine with me.

Would it add any value to you if BWA started help you and your guests in booking and planning the cruise?

Yes. It is a good question because this came up this year. And now I don't want to be nasty. When you ask BWA about their recommendations they send a list of restaurants, bars and clubs and all kinds of places. The one thing they never now is what kind of people are they dealing with. Are they dealing with high class, new rich, people with no class but a lot of money. You got such a big genre, a big area of people that you are dealing with. So when they find the restaurants, the clubs the bars they might find it wonderful. But their wonderful might not be our wonderful. That's not to put anybody down but you can never change that. This is another exactly why, whenever going somewhere new, I will always personally go to the restaurants and have a look myself. The agency can give you a lot of information, which is fantastic but I think it is wrong to solely rely on their word because they are not always right and you can't expect them to be.

So in which way could BWA help you excel in serving the guests at the moment?

If any thing I suppose that what they can do is to source their own restaurant, bars and so forth but they could also communicate with the crew. They could ask them how a certain booking was for the guests. Do some kind of follow up. Maybe ask if we did source anything ourselves. So basically you use the client to get information, which is free. We use the agency for information so why shouldn't they use us to get information as well? So if they want to improve their concierge service they can ask what do you think of the service you got from a particular taxi companies, restaurants etc. They can take note.

I know that it's wrong to place your guests in a box because they are of course individuals but would it be helpful to know what other guest from other yachts like about a certain restaurant?

Yeah. Defiantly! Going back to what we talked about earlier. For example we went to Napoli and of course we use their services quite a lot. Visiting different restaurants and so on. A key thing could be that when you leave, finish up and pay your bill they could send an e-mail asking how did things go, how was our service, how we would rate it, how was the restaurants, the toy choice. In this way it gives people the chance to give their remarks. But of course you need the backbone to say, this restaurant was shit. Some people will always say that it is fine and all good. If you get a lot

of questionnaires in with questions about many different feedbacks and if you look at the feedback you will get a very good feeling of what guests and clients things of a certain place.

Yes, of course. I mean I have plan to do my own little review system so why not. Normally when I come back to Monaco I write an e-mail to all the offices that we have used just to say thank you for the kind service. In this e-mail I could defiantly write a little bit about the experience our guests had so BWA can use this information for future prospects.

Edoardo Spagnolo – Captain, Palmura, 50 meters, Antibes, France

Face to face interview in Port Antibes, France (20 minutes)

Main purpose of the interview: To understand how the main customer segment of BWA perceives the BWA brand and what they value.

Being a captain on a super yacht, what is your most important role?

My main responsibility as a captain is of course to make sure that the vessel is working, that all the practical formalities are reached and that my guests on board are enjoying their time. I am in charge of the yacht and I have to make sure that everything is running smoothly. The vessel that I am currently in charge of is a charter yacht. This means that a lot of different guests visit the boat. All of them have different demands but I find it interesting to serve different guests making my job as a captain very complex and diversified. At the moment we are in the middle of the peak season and I am just off to St. Tropez with guests tomorrow. So right now I am busy making sure that we have the berth and that everything is ready for the guests arriving.

So you are in contact with the BWA office in St. Tropez?

Yes, I just spoke to them. I always use BWA. They know how to deliver and they know me very well so it is always nice to deal with the same people. You skip the introduction part since they have all the information on the yacht.

When thinking of the BWA brand, what first comes to mind?

Uh.. That's a good question. I think problem solver is the first thing that comes to mind. When I need anything or if the guests on board are requesting something BWA almost always deliver. But further more I see BWA as a global company with many offices. I think they are the biggest agency in fact. They do a good job.

Do you have the same impression of the brand when going to St. Tropez, Croatia or Greece?

People and cultures are different. So the best answer to this will be no. They offer the same service but things are not always delivered in the same way. I mean eating at McDonald's in Singapore might not be the same experience in Italy. I think the same holds true for BWA. When that being said there are offices, which are better in communicating and better in understanding what exactly you request. The office here in Antibes is very good in understanding my requests, which in the end are my guests' requests. But ok. I know the people very well here so of course they know how to deliver. The BWA brand gives me a kind of relieve.

What du you mean by that?

I simply know what to expect when I use BWA and that is probably why I keep using them. I don't have the time to look for alternatives when this relationship works.

Could you think of a better way to interact with BWA today? Through other communication channels?

Hmm… no I don't think so. I call the office I need to speak to or send them an e-mail. That works pretty well. I can't see how that can be done differently.

What do you value the most when using BWA today?

I certainly value their ability to make things happen. To deliver food at 6am in the morning when a request was send 11pm the day before. To some extend you can say that they make the impossible possible. They also have great local area knowledge, which I think is of high value. It makes them look very professional.

Could you see BWA going into high luxury concierge services? Helping your guests to achieve a top experience when cruising?

I know that BWA already help with concierge services. To me it is not what they stand for or their main service. They have helped my guests and me many many times. But in most of the cases the guests knew where they wanted to go so we basically asked BWA to call the restaurant or nightclub. Again, I look at BWA in a problem solving way. It is difficult to get a table at Allain

Ducase the same day but with the right local contacts things work out and BWA has the contacts. However, if they really wanted to do more out restaurant bookings and so forth I think they could do a great job there as well. It simply needs up to date knowledge if you are seeking to be a top concierge.

Would it add any value to you if BWA started help you and your guests in booking and planning the cruise?
Of course. I mean all and basically all of our guests go to restaurants, cocktail bars and shopping so if BWA could provide me and my crew with excellent information about new restaurants and places that would add value to their current services. The yachting is one experience, which I as a captain have to make sure, is running smoothly. On the other hand the guests also have experiences on shore so I can defiantly see a point for BWA to do more about this business.

Would you be interested in helping to review the experiences your guests have and then this information could be shared among all the super yachts?
I am not quite sure what you are thinking about here. But if it would only require that I should try to rate my impression of my guests' experience it would be fine. As long as I don't have to write a summary of each restaurant experience. But the funny thing is that very often the guests seem to value the same so it could make sense to review the places and see the overall pattern of the many different places.

Charlie Birkett – CEO & Co-Founder, Y.CO, Monaco

Face-to-face interview, Port Hercule, Monaco (30 minutes)

Main purpose of the interview: To get a better and more in-depth understanding of how owner and guests of super yachts define luxury and what they value the most about concierge services.

For many years you and your company Y.CO have been helping super yacht guests - some of the richest people in the world - with booking and planning their holidays. According to you is there a general or common pattern among these people? Places they go, types of holiday and experience they seek?

That's a really good question in fact. I guess the answer is yes and no. I mean, and please let it between you and me.. haha. Yacht charter guests with a lot of money tend to be very alike in fact. They could have chosen so many other kinds of holidays but people who choose to stay a week or two on a super yacht do share some of the same values. First of all they like privacy. On your own private super yacht you will not find 'ordinary' people at the pool who might recognize you or disturb you. The people who surround you are people chosen by you. Your family or friends. From a celebrity perspective being on a yacht in the middle of the Mediterranean keeps most paparazzi away. If you ask the yacht charter guests themselves I think they would say that they aren't like any of the other yacht charter guests which makes the answer to your question a no. And of course they are right. Any of the itinerary planning we are doing is the same. Guests are never requesting the same. Some guests wants to rent the most expensive yacht, others the most talked about and hard to book yacht and others again, like one Russian family using us this year, a super yacht with pre-made and custom-made pink interior because this colour was the favourite colour of their two daughters. Completely out of mind one could say. To us, it is business as usual. We are dealing with these kinds of requests everyday during the season.

Are there places more popular than others to go to?

Of course there are. Monaco, Cannes and St. Tropez keep hitting the list of the most popular places for cruising. For some reason these places have the history and the best onshore facilitates

such as a great range of restaurants, bars and nightclubs and of course other rich people and friends cruising in this area.

But going to the same places like all the other charter guests does not seem like privacy to me?
Haha. You got a point and you are completely right. That is the strange part of it. But you have to understand that these very very rich people they, besides wanting their right to privacy, like to spend money on for example Hermés Birkin bags and Michelin starred food. It might be wrong of me to say this out loud but I trust you: these people love to show of their money. That's the truth. So when you are wondering why they want privacy but at the same time attention you hit the nerve of super yachting and the fine fine balance, which you as a charter broker need to understand. Many of them want to be treated like celebrities – even though they aren't – and at the same time show the world how great and amazing their lives are by going to the same restaurants and bars like their friends.

And you help them with these restaurant and bar bookings? Being a concierge.
It really depends on the guests. But yes, in most cases we help to book certain restaurants for the guests. In some cases they bring their own PA (personal assistant), who takes care of such things. Though, we are almost always in some kind of dialogue with the PA since they don't now everything about a specific area. Also, a lot of yachts have started to request fireworks when celebrating something on board the yacht, a birthday or special occasion. In this case we step in and help to organize and book.

How do charter guests typically approach you when they make a request?
The guests almost never approach us themselves. They have a first officer, captain or PA who they use as the running man. So when they request a restaurant one of these give us call and then it is up to us how to sort the request and make it possible. This can sometimes be quite complicated. I mean making a booking in an already fully booked restaurant is not an easy task. Very often we have to act like magicians or even Santa Claus, just without the costume. You know what I mean?

Is it specific or is it very often up to you to source something?

It is a mix. Very often the guests are returning guests. They know what they want because last time they were here they tried this restaurant or maybe the restaurant is simply that famous so they go there every year. But we do have lot of requests about new places. Especially in the more less known and up coming areas and regions like for example Croatia and the Middle East. The super yacht guests are not familiar with these places and they need us to find the best seafood restaurant or to find out what to do. These kinds of requests are always the most risky ones. Because they require that you really understand what the guest wants. A seafood restaurant in my head might not be the seafood restaurant a particular guest has in mind. For these kinds of requests we often use an external partner.

Do you use different external partners in these cases?
Yes. We use different concierge companies operating in different areas asking them for advice. And when a company turns out to be helpful and able to satisfy our customers' need then we of course use them again.

According to you, how do you think your customers value luxury? What is luxury to them?
Hmm.. As touched upon before I think luxury to most of our customers is about having a holiday in a private setting and at the same time having the opportunity to say: Oh tomorrow we want to go to Greece and after that please bring us to a secret Island and after that the Monaco Grand Prix. To these people luxury is not just about experiencing a great service, restaurants or hidden gem it is about doing unimaginable things – just because they can. Money can take you a long way. However, luxury is also about showing and telling similar people, like your friends, that you have been to this and that place. As you know I am a branding guy. And I know the importance of the words 'people love people'. This also holds true for these kinds of customers. Celebrating a life in luxury together with like-minded people is of high value. And of course, luxury is also about time. They are very often busy people. They don't like to wait and especially not in lines.