

## Make Sense?

### Exploring the Role of Sensemaking Narratives in Stakeholders' Shared Understanding of the Brand

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## **Title: Make Sense? Exploring the role of sensemaking narratives in stakeholders' shared understanding of the brand**

**Keywords: Sensemaking, Brand Identity, Narratives**

### **Purpose:**

An important part of how we sense a brand is how we make sense of a brand. Sense-making is naturally strongly connected to how we cognize about the brand. But sense-making is concerned with multiple forms of knowledge that arise from our interpretation of the brand-related stimuli: Declarative, episodic, procedural and sensory. Knowledge is given meaning through mental association (Keller, 1993) and / or symbolic interaction (Blumer, 1969). These meanings are centrally related to individuals' sense of identity or "identity needs" (Wallpach & Woodside, 2009). The way individuals make sense of brands is related to who people think they are in their context and this shapes what they enact and how they interpret the brand (Currie & Brown, 2003; Weick, Sutcliffe, & Obstfeld, 2005; Weick, 1993). Our subject of interest in this paper is how stakeholders interpret and ascribe meaning to the brand and how these meaning narratives play out over time to create meta-narratives that drive brand meaning co-creation. In this paper we focus on the concept of brand identity since it is at the level of identity that the brand creates meaning for individuals (Kapferer, 2012; Csaba & Bengtsson, 2006).

Brand identity is defined as a core concept in the brand management literature. A clear and consistent brand identity acts as a stable reference for consumers (Aaker, 1991 & Kapferer, 2012) in positioning the brand and in providing tool for consumers to internalise brand knowledge and create meaning about the brand and about themselves (Kapferer, 2012; Keller, 1993). It is perhaps therefore that brand identity is assumed to be central and consistent and defined by management. Recent research in marketing challenges this view, pointing to challenges to implementing the brand internally in the organisation (Baumgarth, 2010; Krake, 2005; Wong & Merrilees, 2008; Keleman and Pappasolomou, 2007) and in wider stakeholder eco-systems (Merz, He & Vargo, 2009; Gyrd-Jones & Kornum, 2013; Hillebrand et al, 2015). Many commentators do little more than identify these challenges but give few indications of the sources of these barriers or how to manage them in more than purely normative terms. Efforts to identify the sources of competing brand meanings include:

- Discourse (Vallaster & Wallpach, 2013)
- Identity & Narratives (Wallpach & Woodside, 2009)
- Internal Silos (Gyrd-Jones et al., 2013)
- Brand literacy (Bengtsson & Firat, 2006)

To our knowledge there has been no systematic attempt to apply the sensemaking concept to understanding how stakeholders make sense of the brand. In this paper we explore how sensemaking can enable us to study the co-creation of brand identity.

### **Research Question:**

The aim of this paper is therefore to investigate at the practical and conceptual levels how sensemaking narratives create barriers to and provide opportunities for the creation of a shared understanding (co-creation) of the brand identity?

### **Theory:**

Sensemaking is widely discussed in the organisation science literature when looking at how organisational actors create meaning from their experiences and knowledge about and in relation to their focal organization. Organisational sensemaking is an ongoing process of creating an inter-subjective sense of shared meanings (Gephart et al. 2010: 284–285). Sensemaking is about how we interpret situations based on past knowledge (Weick, Sutcliffe & Obstfeld, 2005; Weick, 1995; 1993). Knowledge can be defined as relevant and actionable information that is at least partially based on contextual experience (Lin et al. 2006). There is a clear parallel here between organisational members' knowledge and consumer brand knowledge (Aaker, 1991; Keller, 1993). At the collective level, sensemaking is an ongoing learning process as organisations simultaneously shape and react to the environments they face. Organisations learn about their identities and the accuracy of their accounts of the world as they project themselves onto this environment and observe the consequences (Hatch & Schultz, 2002). Sensemaking in this respect is a highly social activity in that the narratives of sensemaking form common, shared stories as collective sense-making (Currie & Brown, 2003: 565), which in turn contribute to a collective identity.

This paper sees corporate brand identity as a mental construct of how organizational stakeholders perceive what a company stands for and how it wants to be perceived (Balmer & Gray 2003; Gioia et al., 2000; Hatch & Schultz, 2002; Aaker & Joachimsthaler, 2002). Identity is a relational construct (Goffman, 1959) in that it is dynamic and reflexive (Hatch & Schultz, 2002), it involves multiple actors who are actively involved in explicit and implicit "facework" (Goffman, 1959). Constructs such as brand image and identity are inexorably intertwined (Hatch & Schultz, 2002). From this perspective brand identity is constantly under construction by multiple stakeholders and not a stable and essential element of the brand.

Thus we experience a brand as a continual reflexive sense-making process involving perception, response and activities in relation to the focal brand. We define sense-making as a mental process whereby stakeholders' create meaning in relation to the perceived identity of the brand (as expressed through artefacts) and individual stakeholders' own (personal and professional) identities. In line with the sensemaking literature we note that brand stakeholders are in a constant process of scanning, interpreting and learning (Daft & Weick, 1984) about their own and others' brands through a process that can be reduced to: (1) sensing; (2) interpreting; and (3) responding (Tollin & Jones, 2009).

### **Method:**

This study adopts a qualitative single case method targeting analytical generalization through theoretical triangulation (Woodside, 2010). The study analyses the organisational sensemaking of redefining the corporate brand identity of the Business Incubator Alfa (BIA) between its different stakeholders. BIA can be seen as representing a unique and extreme

case example (Yin, 1989) of the phenomenon of interest providing rich information (Patton, 2002) to justify its selection.

BIA is the entrepreneurship hub and an open co-working space owned and operated by two universities (a traditional, science based university and university of applied sciences). The operations and activities offered in the BIA as well as the operating context have evolved over the years and, as a consequence, affected the concept of BIA; its brand identity and reason of existence had to be reassessed and redefined in order to validate its operations and ensure its funding in the future. This project follows this process.

The data consists of transcripts and memos of 7 moderated, 2-2,5 hours group discussions/workshops between the operative staff of BIA and the rectors and department managers of the universities and the city representatives. In addition, 6 personal in-depth interviews with BIA's operative staff and 7 in-depth interviews with "the customers" (i.e. the startup entrepreneurs/students) were conducted. Also two group assignments conducted together with operative staff and management and one management team meeting were observed. All the data has been collected during the spring and early autumn 2016.

The abductive data analysis involves a search of narratives around the *issues* identified as important for the stakeholder, *tasks* that they are usually involved in in relation to the brand and *information* that they saw as relevant in relation to the brand to elicit new insights (Dubois and Gadde, 2002).

### **Findings:**

Although all the participants agreed on the importance of BIA to both the city and the universities, reaching a shared understanding of the BIA concept among the parties turned out challenging task due to differing interests and views. Defining a holistic brand identity was perceived problematic because it was unclear who the "customer" is in this case (and differing views about the customer). The interaction of competing interests in this self-activating innovation community type of operating environment raised brand governance issues.

The discussions revolved around the *operational level challenges* which were caused by the two organizational cultures (University and University of Applied Sciences) co-operation under the same roof. Firstly, we saw three competing narratives emerging: 1. BIA as a platform for own activities and brand identities; 2. BIA as a community; 3. BIA as a showcase (e.g. university leadership and City). Secondly, we identify a sensemaking process aimed at bridging these competing narratives.

### **Theoretical contribution:**

This study highlights and confirms the dynamic nature of brand identity (DaSilveira et al, 2013; Vallaster & Wallpach, 2013; Wallpach et al, 2016). Brand identity is not a stable, central construct defined by top management but is open to multiple influences (negotiations) in the stakeholder eco-system through mutually influencing inputs. The focal brand was imbued with multiple meanings from multiple stakeholders. Merrilees & Miller (2010)

suggest that this results in the need for brand morphing. Whilst their approach focuses on how stakeholders morph the brand meaning in relation to their own (implicit) identity needs, this research suggests a two-fold effect. That not only do constituent stakeholders morph brand meanings to *express* their identity needs but these meanings *reflect* back into the brand to reconstruct the brand identity itself. The process of brand identity creation we followed allowed the stakeholders to maintain and strengthen their individual identities *and* allowed the focal brand to articulate its unique identity. We see that the juxtaposition of apparently disharmonious identities strengthens the identities of the participating brands (differentiation and articulation of own identities), but simultaneously strengthens the focal brand's (network) identity.

We suggest that brand is a heuristic for sensemaking. We saw actors articulating often competing brand identities as they negotiated the brand identity of the focal brand. In traditional literature this is seen as disruptive or even destructive for the focal brand. However we observed that constituent stakeholders underwent what we call posturing in relation to each other and the focal brand. Posturing identity authenticity is similar to Goffman's "facework" as the conscious presentation of self (identity) in front-stage identity work. In this dynamic, the presence of other brand identities is constitutive of this facework - brands posture who they are and who they are not, in relation to other brand identities. As constituent brand in the brand eco-system articulate their own identities they use other brand's identity as reliefs for the construction of their own identities.

### **Practical contribution:**

This work suggests that brand managers should define their role as facilitators of a sensemaking process of brand identity narrative co-creation. Such processes can result in strengthened identities of all stakeholder brands including the focal brand.

### **Limitations:**

The research is a work in progress and the full analysis of the data has not been presented.

### **Originality:**

This project contributes with an in-depth case study exploring the socio-cultural processes that impact on brand sensemaking. It supports an emerging literature that highlights the dynamic construction of brand identity. The application of sensemaking theory to understanding the collective meaning creation process is unique and provides rich understandings of how brand's provide meaning to multiple stakeholders. The work presents a framework for managing multiple identity interactions and articulations in a brand eco-system.

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