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Corporate Brand Identity and Image Congruence in the Leisure Services Sector:  
A Stakeholder perspective

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Abstract

This paper aims to contribute to current leisure services and branding literature by conceptualising the relationship between brand identity, brand image and whether a congruent relationship between the two influences customer satisfaction and loyalty. A conceptual model is developed in the context of zoological operations, central constructs and subsequent research propositions are discussed.

Introduction

Corporate branding is seen as a key determinant of an organisation's ability to competitively position itself in the minds of target consumers, relative to competitors. The role of corporate branding has received only recent attention in the leisure services sector, research being concentrated in service industries such as retail, banking and airlines (Daffey and Abratt, 2002; Hatch and Schultz, 2003; Mohr and Bitner, 1995; Chun and Davies, 2006). Researchers have conceptually identified the need for brand identity and brand image, both integral constructs of corporate branding, to be congruent in order to create a shared meaning and understanding between the organisation and its target market. The aim of this study is to empirically explore the congruence between brand identity and brand image in the context of the leisure services sector.

The leisure services industry is beginning to play an increasingly significant role in the Australian economy, with 10.3% of local household income in 2003-04 being spent in recreational services, supported by an increase in the size of the cultural and recreational services sector of 18.6% in 2004-05 (Australian Bureau of Statistics, 2007). ABS figures also indicate that 40% of people visited zoological gardens in March-July 2002, an increase of 3.6% from previous figures in 1999 (Australian Bureau of Statistics, 2007). The trend towards a time-poor population and an increasingly globally competitive marketplace means that leisure services such as zoological operations must find a point of competitive advantage and a shared understanding with their target market.

Theoretical Framework

Brand Identity

The first construct in our conceptual model is brand identity. It is well recognised that corporate brand identity is an antecedent to brand image, and has a significant effect on the perception that stakeholders have of an organisation. Some researchers have
focussed on the interface between identity and the perceived external image (Dutton and Dukerich, 1991), whereas others have focussed on corporate brand identity and corporate brand image (Abratt, 1989). Kapferer, who pioneered the interest in brand identity, took a brand focussed view of it. In his book, The New Strategic Brand Management, Kapferer (2004) conceptualised brand identity as the brands particular vision, aims and values, the needs it is fulfilling and it’s field of competence. Balmer (1998) shared Kapferer’s position but viewed brand identity from a corporate perspective. His definition of brand identity is best articulated in the Strathclyde Statement (Balmer, 1998): “...[brand identity] articulates the corporate ethos, aims and values and presents a sense of individuality that can help to differentiate the organisation within its competitive environment”. Similarly, Albert and Whetten asserted that an organisations brand identity should achieve three things: capture the essence of the organisation, distinguish the organisation from others and exhibit the same degree of continuity over time (Albert and Whetten, 2003). In a recent study of the South African educational sector, Bosch (2006) further elaborated on the construct of brand identity to include elements of strategic intent, reputation, relevance and personality. The operationalisation of brand identity for this study attempts to synthesise the multitude of definitions of the construct, and defines it as the way an organisation sees itself, as reflected by its values, aims and mission, its personality and the way it positions itself in the marketplace.

**Brand Image**

The second, central construct of interest is brand image. Martineau (1958) pioneered research into brand image, finding that a favourable image provided an organisation with a distinctive competitive advantage. The importance of brand image was again highlighted by Balmer (1998) who asserted that an a priori link exists between an individuals image of the organisation and that persons behaviour towards the organisation. Balmer (1998) defines corporate brand image as associations and meanings connected with an organization. In line with this, Aaker (1997) sees image as the net result of all the experiences, impressions, beliefs, feelings and knowledge that people have about a company. Nandan (2005) provides further support for this view, construing image as consumer perceptions of the brand. For the purposes of this study, corporate brand image will be operationalised as stakeholders’ latest beliefs, perceptions, feelings and attitudes towards an organisation. Leisure services operators are becoming increasingly aware that they need to monitor their stakeholders brand image to ensure that this is in line with how the organisation wants to be seen and their brand identity.

**Mediating Influencing Constructs:**

A number of factors have been proposed by researchers to affect the implied link between brand identity and brand image. This study will concentrate on the three mediating constructs beginning with external communications. Harris and de Chernatony (2001) acknowledge that communication plays an important role in the formation of congruent perceptions between brand identity and brand image. Although both internal and external communication have been conceptually linked to the formation of congruent perceptions, the focus here is on external communication and specifically how this affects the congruence of customers perceptions of brand identity, therefore their brand image. Despite studies that have found support for the
effects of communication on brand image, Chun and Davies (2006) assert that image is not created through media advertising, but more through the experience shoppers have within the store. O’Cass and Grace’s (2004) findings with a service context confirm this, concluding that word of mouth is a dimension frequently rated by consumers as fundamental in the formation of brand image.

The second mediating construct is the role of employees. Hardaker and Fill (2005) note the importance and recognition of employees as part of the corporate branding process. Bitner, Booms and Mohr (1994) acknowledge that experience with a service based brand, for a consumer, often involves multiple interfaces where consumers interact with staff across various parts of a services organisation, which may result in disparate experiences with a brand. Consistent with this, Chun and Davies (2006) found that customers of retail outlets would judge a store from the experiences they received from the staff. O’Cass and Grace (2004) confirm this, finding that employees were the most frequently mentioned services brand dimension. This finding implies that employees are a fundamental component in building a services brand and communicating brand identity and is consistent with the view of employees as brand ambassadors (Harris and de Chernatony, 2001). This is particularly important in the leisure sector, where employees are the interface between an organisations internal and external environments and where their actions can have a powerful effect in creating images among customers (Balmer and Wilkinson, 1991).

Researchers have also found support for the effect of environmental dimensions of servicescape (the third mediating construct) on customer satisfaction and brand image. Bitner (1992), in investigating the importance of servicescape dimensions across a typology of service organisations, found the spatial layout and functional dimensions of the servicescape to be of most importance in interpersonal services, such as leisure services. Wakefield and Blodgett (1996), in testing Bitner’s model and propositions across 3 different leisure service settings, focused on facility aesthetics, layout accessibility and cleanliness. Satisfaction with the servicescape was found to have a positive effect on customer length of time spent in the service environment, and importantly, repatronage intentions (Wakefield and Blodgett, 1996). Linking servicescapes to services branding, O’Cass and Grace (2004) found service facilities to be one of the most frequently mentioned dimensions of services brands, implicating that service facilities have a formative role in the generation of brand image. It is therefore proposed that the relationship between brand identity, brand image, customer satisfaction, and customer loyalty is mediated by external communication, employees and servicescape.

**Proposition 1**: The relationship between brand identity, brand image, customer satisfaction, and customer loyalty is mediated by external communication, employees and servicescape.

**Customer Satisfaction and Loyalty**

The final constructs in our conceptual framework are the dependent constructs of customer satisfaction and loyalty. Oliver (1997) defines satisfaction as “the consumer’s fulfillment response. It is a judgement that a product or service feature, or the product or service itself, provided (or is providing) a pleasurable level of consumption-related fulfillment, including levels of under or over fulfillment” (p.13). This definition highlights the evaluative nature of satisfaction whereby the consumer
determines whether a product or service meets their expectations. However, Price, Arndould and Tierney (1995), in their study of hedonic experiences, create a distinction between satisfaction being measured as a result of a brief transaction and that resulting from a temporally extended service encounter. The current study operationalises satisfaction as having attitudinal, behavioural and cognitive components and sees it as the result of an extended service encounter. Oliver (1999) conceptualises loyalty as a “deeply held commitment to rebuy or repatronise a preferred product or service consistently in the future, despite situational influences and marketing efforts having the potential to cause switching behaviour”, encapsulating both behavioural and attitudinal components. Chun and Davies (2006) also considered loyalty from an attitudinal and behavioural perspective. However, Jones and Taylor (2007), although concurring with attitudinal and behavioural perspectives, contended that the attitudinal component of loyalty also contained a cognitive aspect. In this study, loyalty is operationalised as having attitudinal, behavioural and cognitive components.

**Proposition 2:** Brand identity will have a positive relationship with customer satisfaction and customer loyalty.

**Proposition 3:** Brand image will have a positive relationship with customer satisfaction and customer loyalty.

**Relationships amongst Constructs**

Customer satisfaction is generally perceived as an antecedent to customer loyalty, with a positive relationship between the two empirically verified in a number of studies (Homburg and Giering, 2001). Oliver (1999) suggests that there are a number of different ways in which the link between loyalty and satisfaction can be conceptualised. However, one of the more prominent views espoused within the literature is that the relationship between satisfaction and loyalty is asymmetric. Consequently, satisfaction has been shown to be imperative in the development of loyalty but the reverse does not hold – loyalty is not a prerequisite for satisfaction (Oliver, 1999).

Chun and Davies (2006) link brand image to satisfaction in a retail setting, asserting that positive image and customer satisfaction are related. In view of previous academic research into satisfaction and loyalty, it can be postulated that brand image when related to satisfaction may also be related to loyalty. Furthermore, if congruence between brand identity and brand image is linked to satisfaction, as found by Chun and Davies (2006), this may also lead to loyalty. In fact, it has been asserted that a firm can enhance it’s brand loyalty by ensuring that there is congruence between brand identity and brand image (Nandan, 2005). It is proposed that brand identity will have a positive relationship with brand image, customer satisfaction and customer loyalty. However, it is recognised by researchers that a gap between corporate brand identity and corporate brand image does exist, particularly between the organisations ideal corporate identity and external stakeholders brand image (Hatch and Schultz, 2003). Bosch et. al. (2006) and Chun and Davies (2006) both found gaps to exist between internal identity and the external image of an organisation. De Chernatony and Dall’Olmo Riley (1999) see brand building as a process of managing brand identity so that the gap between brand identity and brand image is narrowed. To this end, Harris and De Chernatony (2001) claim the need for a holistic approach to brand management where all members of an organisation behave in accordance with desired
brand identity. The assertion here is that effective corporate branding relies heavily on congruency of brand identity and brand image internally. Furthermore, it emphasises matching external brand image to internal views and values (Chun and Davies, 2006).

Congruence Theory, as explored by Venkatraman and Prescott and earlier by Fry and Smith (1987) in management literature, supports this notion of co-alignment (Venkatraman and Prescott, 1990). Fry and Smith, in their study of organisational behaviour, asserted that “fit” among organisational subcomponents results in organisational effectiveness (Fry and Smith, 1987). Applying this to brand identity and image, the proposition of congruence theory holds that a fit between brand identity and brand image, will have significant implications for satisfaction and loyalty. It is proposed that the relationship between brand identity, brand image, customer satisfaction and customer loyalty is moderated by congruence. 

**Proposition 4:** The relationship between brand identity, brand image, customer satisfaction and customer loyalty is moderated by congruence.

The propositions and abovementioned constructs are depicted in the model in Figure 1.

**Operationalisation of Constructs**

The seven aforementioned constructs: brand identity, brand image, external communication, employees, servicescape, customer satisfaction and customer loyalty are each measured on seven-point Likert scales. The existing scales used to develop the measurement instrument for each construct have been proven to provide high validity as a measurement tool (Parasuraman and Zeithaml, 1988; Wakefield and Blodgett, 1996; Suprenant and Solomon, 1987; Davies, Chun, Da Silva and Roper, 2004; Oliver, 1980; Price, Arnould and Tierney, 1995; Jones and Taylor, 2007; Davies and Chun 2002).

![Figure 1: Proposed Conceptual Framework: Corporate Brand Identity and Image Congruence and its relationship with Customer Satisfaction and Loyalty](image)

Brand Image has been measured by researchers in different ways. Most agree that it’s measurement should be centred around cognitive, as well as affective and emotional attributes, such as using personality metaphors to portray it (Bosch et al., 2006, Davies and Chun, 2002, Harris and de Chernatony, 2001). To this end, Davies and
Chun (2002) developed a Corporate Personality scale, modeled on the premises of Aaker (1997), acknowledging that the scale is a measurement tool specifically modified to measure corporate brand image. A modification of this Corporate Personality Scale will be used to measure brand image in the current study. The same scale will measure brand identity from the perspective of senior management. Items pertaining to mission, values and positioning, in line with the Melbourne Zoo branding strategy, will also be included. External communication measures incorporate typical sources of external communication as suggested by Nandan (2005) and O’Çass and Grace (2004). Information from the Melbourne Zoo in terms of communication media used has also been incorporated into the measure. The role of employees is measured using an existing scale developed by Surpreant and Solomon (1987), comprising of constructs most relevant to Melbourne Zoo: competence, helpfulness and sociability. The servicescape will be measured in terms of facility aesthetics, layout accessibility and cleanliness, using scales established by Wakefield and Blodgett (1996) and Parasuraman and Zeithaml (1988). Loyalty measures will encapsulate behavioral, attitudinal and cognitive constructs, using scales established by Jones and Taylor (2007) and Davies and Chun (2002). Satisfaction will also be measured using existing scales developed by Oliver (1980) and Price, Arnould and Tierney (1995).

Conclusion and Contributions

This study has important implications for leisure services providers, enabling them to better understand the impact of congruence between their corporate brand identity and customer image, and furthermore the impact on customer satisfaction and customer loyalty. Considering this, leisure service operators will be able to increase the likelihood of a shared understanding between their organisation and the target market, thus forging a closer relationship with their customers and cementing their competitive positioning in the customers mind.
References


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