

The Liability of Newness: History, SMEs, and the Corporate Brand

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Introduction and Research Area

A characteristic of strong brands is that they all possess longevity (Kay, 2006; Wiedmann, Hennigs, Schmidt, & Wuestefeld, 2011). Customer-based brand equity (Keller, 1993) is founded upon the premise that customers have had *previous* exposure with a firm, product, or service (brand awareness); that they *learned* and internalized the attributes of the brand (brand identities); and that they have had *time* to formulate an understanding or perception of the brand (brand image). Of course, all of this is premised upon the ability of customers to maintain various associations in their *memory* about the brand (brand attitude/brand familiarity). The very concept of a brand imbricates the past, history, and marketing to the point where you cannot have one without the other. In other words, brands have history (Hatch & Rubin, 2006), their own heritage (Urde, Greyser, & Balmer, 2007) and even nostalgia (Holbrook, 1993; Holbrook & Schindler, 1994). And the history of a brand – whether product or corporate – like any history, represents a mutable resource.

The relationship amongst brands, branding, and the past and history has been of accelerating interest for researchers as we come to recognize that the past world of people, objects, and events represent an invaluable resource that organizations can draw upon for leverage in both marketing (Burghausen & Balmer, 2014; Cooper, Merrilees, & Miller, 2015; Wilson, 2018) and strategic management (Suddaby & Foster, 2017) domains. Purposes which vary from using the past to construct legitimating accounts within an institutional field (Lounsbury & Glynn, 2001; Suddaby & Greenwood, 2004) to incorporating a country's dominant social memories more closely within a national brand for competitive advantage as in Tim Hortons (Foster, Suddaby, Minkus, & Wiebe, 2011).

Other examples include the self-use of organizational history and heritage to reinvigorate the corporate identity at Lego (Schultz & Hernes, 2013) or to reposition the organization's strategic direction and product branding at Carlsberg (Hatch & Schultz, 2017). Hindsight informs us that all of the firms cited in the research above already possessed an extensive past history. Pasts representing a veritable smorgasbord of strategic resources for these organizations to feast upon and leverage for strategic purpose. All of these organizations selected aspects of their pasts to either highlight (remember) or background (forget) and engaged in acts of organizational historicizing (Hatch & Schultz, 2017). They all constructed rhetorical histories to use as “persuasive strategy[ies] to manage [their] key stakeholders” (Suddaby, Foster, & Quinn Trank, 2010, p. 157). And all of these organizations did so successfully.

Given the breadth and depth of this research we can now safely conclude that for both management and marketing activities the “past is too important [for firms] to ignore” (Balmer & Burghausen, 2018 forthcoming, p. 1). However, as valid as this declaration is, it also poses an interesting paradox. So, as important as the past obviously was (and still is) for these organizations, what if it were otherwise? What if there was an absence of resources because the firm has no past?

Since much of the marketing literature centers on the codified practices of mainstream marketing theory marketing in SMEs is set apart as a specialty or niche area of study (Hills, Holtman, & Miles, 2008). The result is that the challenges faced by start-ups and SMEs usually get overlooked (Bettiol, Di Maria, & Finotto, 2012). Thus, the marketing literature also fails to account for the significant impact that can be made by the owner/operator (Carlson & Gilmore, 2000). Given this condition, the lack of critical marketing expertise and skills in SMEs, combined with a dearth of resources to allocate to marketing activities, this means that the owner/operator becomes an entrepreneurial marketer. Branding activities, therefore, at least in the initial stages, are largely intuitive and emergent practices rather than ones which adhere to any codified planning process (David, 2000; Soelberg, Lindberg, & Jensen, 2018).

Given that market acceptance and brand recognition are two of the major factors that contribute to the survival and success of small firms (Aldrich & Auster, 1986) the relationship between the past and

branding within entrepreneurial start-ups or resource constrained SMEs is surprisingly understudied. A condition we attempt to address in this research.

Purpose and Objectives

The purpose of this research is to explore what role, if any, the past has with the branding of new firms and more specifically for SMEs. We are particularly interested in start-up organizations located within the grape and wine sector. From both institutional and marketing perspectives the wine sector is premised upon the notion of firm (winery) and product (vintage) longevity; the preservation and use of traditional methods; and the attainment and maintenance of quality standards (Voronov, De Clercq, & Hinings, 2013). In other words, in the wine sector the past is important.

The site that we have chosen for our research is the newest of the four wine regions in Canada. Unlike Quebec, Ontario, and British Columbia, who all have centenary histories of wine-making, Nova Scotia's (NS) experience is less than two decades old. However, within that brief timeframe more than a dozen wineries have been founded. So, our specific research objective is to explore how, in the absence of a firm history, do NS start-up wineries attend to the importance of 'pastness' as an institution legitimating norm with respect to developing their organizational brands?

Method

We chose a multiple case study (Eisenhardt, 1989) approach for two reasons. First, in-depth case studies are an effective way to explore an area of interest for which there is a lack of previous research (Yin, 1989, 1994). Second, since the wineries ranged from two to sixteen years old, a comparative and qualitative approach (Miles & Huberman, 1994) was deemed most likely to capture the full range of conditions and processes of branding activities in new wineries. Comparative analysis between cases would maximize the potential for surfacing the past-brand relationship.

The data used for this study was collected between 2010 and 2018. Data sources included: site visits and in-depth interviews with the owners/operators of nine separate wineries. Additional archival data were also used. These data included: government publication, announcements and government sponsored media releases. Additionally, the archive incorporated newspaper and magazine articles on either the wine sector or individual wineries in NS. Finally, winery websites and marketing materials (e.g., flyers or rack cards produced by NS wineries, newspaper or magazine advertisements) were also collected.

Contribution

Our research shows that to gain acceptance with external stakeholders; both at the macro field level (i.e., other wineries, industry associations and governments) and the micro level (i.e., customers) wineries needed to meet the globalized norms of fine winemaking. This was not an unexpected finding as these results have been found in new wineries elsewhere (see Voronov et al., 2013 study on institutional change in the Ontario wine sector). However, what was surprising was the manner in which NS wineries met normative expectations of both form and function. In this respect our research makes two contributions. First, our research shows that new wineries do engage in processes of organizational historicizing which simultaneously construct a firm-level heritage and corporate brand. Second, as these are both constructed through acts of appropriation or linkage in both symbolic and material forms, we extend the research on the strategic use of the past by showing how entrepreneurial bricolage works to produce firm heritage and brand.

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