Sustainability in the Context of Strategic Brand Management

- A Multiple Case Study on the Automobile Industry -

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Abstract

During the last decades the importance of sustainability has steadily increased and nowadays, sustainability is not only a governmental responsibility any more. Besides the concept of sustainability, the field of brand management has gained more relevance in the last decades as well. Today, companies invest large amounts of money in the development of their brands. Considering the increasing importance of both concepts, the question for a combination of these two concepts arises. As the potential of sustainability in the brand management research field is not exploited to date and the focus of such a combination is mainly on the operative part, this study developed the concept of Sustainable Strategic Brand Management. With a focus on the automobile industry a first step of a practical-based research is done. The analysis of the integration of sustainability in the strategic brand management through a multiple case study of the three automobile manufacturing companies Daimler AG, Volvo Group and Volkswagen AG, is the most suitable and effective method to answer the research question of this study: How do automobile manufacturing companies integrate sustainability in their strategic brand management process? The main finding of this study is that automobile manufacturing companies integrate sustainability to different extents and manners in the seven steps of the strategic brand management process. Moreover, there are different levels and potentials for the integration of sustainability in the strategic brand management process. However, there is still potential and demand to improve the integration of sustainability in the strategic brand management process.

Keywords: Sustainability, Sustainable Development, Strategic Brand Management, Sustainability in Marketing, Sustainability in Strategic Management
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<td>Aktiengesellschaft</td>
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<td>BC</td>
<td>Brand Controlling</td>
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<td>BSC</td>
<td>Balanced Score Card</td>
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<td>CEO</td>
<td>Chief Executive Officer</td>
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<td>CO₂</td>
<td>Carbon dioxide</td>
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<td>CSMS</td>
<td>Corporate Sustainable Management System</td>
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<td>CSR</td>
<td>Corporate Social Responsibility</td>
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<td>EBIT</td>
<td>earnings before interest and taxes</td>
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<td>Eco</td>
<td>Ecological</td>
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<td>Ed.</td>
<td>Editor</td>
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<td>EMAS</td>
<td>Eco-Management and Audit Scheme</td>
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<td>Etc.</td>
<td>Et cetera</td>
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<td>EU</td>
<td>European Union</td>
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<tr>
<td>GmbH</td>
<td>Gesellschaft mit beschränkter Haftung</td>
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<td>HR</td>
<td>Human Resource</td>
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<tr>
<td>ISO</td>
<td>International Organization for Standardization</td>
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<td>IT</td>
<td>Information technology</td>
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<td>KG</td>
<td>Kommanditgesellschaft</td>
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<td>KPI</td>
<td>Key Performance Indicator</td>
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<tr>
<td>LCA</td>
<td>Life Cycle Assessments</td>
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<td>LEAD</td>
<td>Leadership Evaluation And Development</td>
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<td>Ltd.</td>
<td>Limited</td>
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<tr>
<td>NGO</td>
<td>Non-Governmental Organization</td>
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<tr>
<td>OECD</td>
<td>Organisation for Economic Co-operation and Development</td>
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<td>R&amp;D</td>
<td>Research &amp; Development</td>
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<td>SBM</td>
<td>Strategic Brand Management</td>
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<td>SBSC</td>
<td>Sustainable Balanced Score Card</td>
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<td>SEK</td>
<td>Swedish Krona</td>
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<td>Sustainable Operative Brand Management</td>
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<td>Sustainable Resource Management</td>
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<td>SSBM</td>
<td>Sustainable Strategic Brand Management</td>
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<td>SWOT</td>
<td>Strengths-weaknesses-opportunities-threats</td>
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<td>TDI</td>
<td>Turbo diesel</td>
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<tr>
<td>TSI</td>
<td>Twin charged Stratified Injection</td>
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<tr>
<td>UMP</td>
<td>Unique Marketing Position</td>
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<tr>
<td>UN</td>
<td>United Nations</td>
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<td>UNCED</td>
<td>United Nations Conference on Environment and Development</td>
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<td>VGAS</td>
<td>Volvo Group Attitude Survey</td>
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<td>VPS</td>
<td>Volvo Group Production System</td>
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<td>WCED</td>
<td>World Commission of Environment and Development</td>
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1 Introduction

1.1 Background

During the last decades the importance of the concept of sustainability has steadily increased. Visible environmental pollution and social injustices induce broad acknowledgement in that an extended environmental perspective and the integration of sustainable ideas are needed. In this context sustainability describes a long-term future of substances (Lentz, 2005). In 1987 the World Commission of Environment and Development (WCED) defined the concept of sustainability respectively sustainable development in the Brundtland-Report “Our Common Future” for the first time:

“Sustainable Development is a development that meets the needs of the present without compromising the ability of future generations to meet their own needs” (World Commission of Environment and Development, 1987, p. 43).

This global-political report was interpreted in many different ways on national levels in the last twenty years. In many countries the triple-bottom-line-model has been prevailed (Geßner, 2008). This model records sustainability as a balanced pursuit of ecological, economic and social objectives (Ekardt, 2007). However, this approach must be seen critically and requires a clearer definition of the sustainability principle on the national-political and especially on the business level. A company as a value-adding system deals with the exchange of resources with its environment and the internal combination of these resources. A company’s long-term supply of resources from the environment can only be secured, if companies care for the re-production of resources. In order to secure the reproduction of resources it is indispensable that companies do not interfere, but foster their sources of resources. (Gandenberger, 2008) In this context it is important to consider the profound anchoring of the sustainability principle in the strategic business planning of companies. One approach that integrates the sustainability principle in a company’s strategy is the sustainable resource management (SRM) approach. This approach states that economical rationality is not only an efficient consumption of resources, but also an effort regarding resource replenishment. (Gandenberger, 2008) To deal with the topic of sustainability in the context of strategic management two perspectives have been developed: the normative perspective and the rational perspective. The normative perspective research claims that a global social responsibility is the reason for the integration of sustainability into the decision process. The rational perspective research focuses on an efficient use of resources through innovation and protection of resource pools and the balance between consumption and supply of resources. (Hülsmann, 2004) As the society becomes more concerned with sustainability, it becomes more important to integrate sustainability in a company’s strategic management (Polonsky, 1994).

Besides the concept of sustainability the field of brand management has gained more importance in the last decades as well. Today, companies invest large amounts of money in the development of their brands. This is attributable to the value that brands create for consumers, which in turn increases the economic brand’s value for the company (Meffert, Burmann & Koers, 2005). In 2010 Apple has become the world’s most valuable brand. Apple’s brand value has risen by 84 percent in the past year to $153.3 billion (Culpan, 2011). At around $303.4 billion Apple’s brand equity of $153.3 represents nearly 50 percent of the entire enterprise’s value (2012 Forbes.com LLC™, 2012). The high value of the brand as an intangible item of property states the need of a comprehensive brand management which should be understood as an integrative, cross-functional part of the company’s management (Meffert, et.al., 2005).
The brand management process comprises three sub-processes: strategic brand management (SBM), operative brand management and brand controlling. Based on a situation analysis, fundamental decisions regarding concrete objectives, strategic brand’s positioning and general brand’s behavior are made in the strategic brand management process. In the operative brand management detailed decisions regarding the concrete construction of the brand management’s instruments (brand performance, brand pricing, brand communication, brand distribution) are made. The construction of the brand management’s instruments derives from guidelines of the strategic brand management and bases essentially on the known marketing instruments (product, price, place, promotion). The third sub-process is brand controlling. This process’ task is the provision of all persons involved in the brand management with appropriate information. Additionally, the evaluation of all brand management activities regarding their effectiveness and efficiency is made in the process of brand controlling. (Meffert, et.al., 2005). Brand management is a central factor in economic success and offers several advantages for companies. Therefore, companies have to connect the brand with the company’s overall strategy and organization. As reasonable and simple this may sound, a lot of companies have problems with the establishment of the connection between the brand and the company’s overall strategy. This explains the importance of a comprehensive strategic brand management, which includes, besides a situation analysis, the definition of the company’s and brand’s objectives, the determination of the brand identity of the corporate brand, the construction of an appropriate brand architecture, a brand evolution strategy as well as the development and consolidation of the brand portfolio and brand positioning. (Hofmann, 2008)

1.2 Problem Discussion

Traditionally, strategic brand management research has been absent from considering sustainable values or has assumed that managing them negatively influences firms’ economic stability (Walley & Whitehead, 1994). In contrast to this, current research recognizes the existence of tangible and intangible benefits associated with several sustainable marketing practices as a result of the development of costs, e.g. low costs, low selling prices and process efficiency and differentiation advantages, e.g. product characteristics and customer support (Baker & Sinkula, 2005; Porter & van der Linde, 1995). Considering the literature, it becomes obvious that the concept of sustainability is a controversially discussed topic. Various different definitions and views regarding the sustainability principle make it difficult to understand the phenomenon of sustainability. Nevertheless, or maybe especially for this reason, it is important to deal with this topic, not least because of proven benefits of the sustainability principle’s integration. However, successfully implementing sustainability in a company’s overall strategy requires a comprehensive and deep integration of the sustainability principle into all corporate divisions (Meffert, et.al., 2005). As an important part of the strategic management, the strategic brand management plays a major role in this process of implementation. Thus, it is essential that this process is carefully considered and determined (Meffert, et.al., 2005).

Considering the increasing importance of both, the concept of sustainability and the concept of strategic brand management, the question of a combination of these two concepts arises. Through this combination, the concept of Sustainable Strategic Brand Management (SSBM) is developed. The objective of this concept is to provide guidelines for companies, which are interested in an integration of sustainability principles in their brand management process. Moreover, the concept is useful to check and improve their strategic brand management process regarding the implementation of sustainability aspects.
In this context the automobile industry turns to be a suitable industry for such an investigation as this industry is sooner or later dependent on sustainability issues such as the use of alternative energy in the production process and alternative technologies in the products. Without rethinking the overall existence and integrating sustainability principles in the whole company, especially automobile manufacturing companies will perish at least when all oil reserves have run out. However, this is not the only reason why the automobile industry is suitable for an investigation of the integration of sustainability in the strategic brand management process. Besides the reason that this industry more or less must rethink, this industry also has the characteristic that it has a lot of potentials to integrate sustainability. Technologies like environmental-friendly drive systems and green technologies like local emission-free electric vehicles with battery and fuel cell are important sustainability potentials, which not every industry can lean on. Furthermore, automobile manufacturing companies are companies, which have a big influence on the economy, society and the environment as the production of automobiles and cars itself are naturally considered not environmental-friendly. These facts lead to a responsibility towards the environment, society and economy, which many automobile manufacturing companies already take and are therefore interested in an integration of the sustainability principle in their strategy. (Orsato & Wells, 2007)

1.3 Purpose and Research Question

The purpose of this study is to describe how automobile manufacturing companies implement sustainability in their strategic brand management process. This strongly suggests examining several paths towards Sustainable Strategic Brand Management and an exploration of the contents of sustainability in the various components of the strategic brand management process. Therefore, this study proposes the following research questions:

*How do automobile manufacturing companies integrate sustainability in their strategic brand management process?*

1.4 Delimitations

Although the brand management process includes three processes (strategic brand management, operative brand management, brand controlling) this study covers solely a deep investigation of the strategic brand management process due to the fact that an investigation of the whole process would exceed the limits of this thesis. Moreover, this study is conducted out of a company’s perspective and includes not an outside-in consumer perspective.

1.5 Outline

To achieve the study’s purpose of examining how companies implemented sustainability in the strategic brand management process, this study surveys the concepts of strategic brand management and sustainability. For this reason, the goal of the second chapter is the development of a novel framework of Sustainable Strategic Brand Management. The findings show how theory suggests companies to implement sustainability successfully in their strategic brand management process. Therefore, the literature review provides a review on the development of the term sustainability as well as on concepts of sustainability in strategic management. Furthermore, the terms brand and brand management are defined and three concepts of strategic brand management are introduced. Based on this review a framework that includes the key elements of sustainable strategic brand management is developed. In chapter three the methodology to meet the study’s objectives is described in detail. Following, chapter four and five include the presentation of the empirical data and the analysis of these data. Finally, the summarized results and implications of the study are presented in chapter six.


2 Literature Review

2.1 Sustainability

Sustainability is a theme in many different political and economic discussions. For a clear understanding of this phenomenon it is essential to identify the different ways of use and to find an appropriate definition for this work. Afterwards, some concepts of sustainability in strategic management are presented which are valuable for the junction of sustainability and strategic brand management.

2.1.1 Development of the Term Sustainability

In sciences a controversial discussion about the term sustainability exists (Gatto, 1995). The use from the concepts ranges from maximum sustainable yield in forestry and fisheries management to the vision of a sustainable society (Brown et.al., 1987). In order to gain a profound understanding of this debate it is necessary to know a trigger of the sustainability debate. In 1987 the World Commission of Environment and Development published the report ‘Our Common Future’. In this report the WCED defines Sustainable Development as

“[…] a development that meets the needs of the present without compromising the ability of future generations to meet their own needs. It contains within it two key concepts:

- the concept of ‘needs’, in particular the essential need of the world’s poor, to which overriding priority should be given; and

- the idea of limitations imposed by the state of technology and social organization on the environment’s ability to meet present and future needs.

Thus the goal of economic and social development must be defined in terms of sustainability in all countries – developed or developing, market oriented or centrally planned. Interpretations will vary, but must share certain general features and must flow from a consensus on the basic concept of sustainable development and on a broad strategic framework for achieving it” (World Commission of Environment and Development, 1987, p. 43).

Based on the Brundtland-Report the United Nations (UN) decided the convocation of the United Nations Conference on Environment and Development (UNCED) in Rio de Janeiro in 1992. The 160 participating countries developed a schedule of action ‘Agenda 21’¹, in which sustainable development is the central concept (Quennet-Thielen, 1996; Sitarz, 1993). Despite of an extensive recommendation for sustainable development activities there is no consensus, like e.g. a common definition of sustainability or sustainable development in the different fields of sciences (Müller-Christ, 2001). The terms sustainability and sustainable development are developed more to a mission statement or a regulative idea (Meffert & Kirchgeorg, 1993).

Brown et.al. (1987) identify three dimensions of sustainability which are increasingly used by institutions and individuals: sustainable development, sustained use of the biosphere, and ecological sustainability (Brown, et.al., 1987). They develop an alternative perspective of sustainability which includes social, ecological and economic definitions of sustainability. The social perspective includes the continued satisfaction of basic human needs (food, water, shel-

¹ Publication of the Agenda 21 is available on UN Department of Economic and Social Affairs: http://www.un.org/esa/dsd/agenda21/res_agenda21_00.shtml (09.02.2012).
ter) and a high level of social and cultural necessities like security, freedom, education, employment and recreation (Brown, et.al., 1987). The ecological dimension focuses on the natural biological processes and the continuous functioning and productivity of ecosystems (Brown, et.al., 1987). By 1987 many economists did not address issues of sustainability in economic growth, but those economists who defined sustainability in the context of economics resolved several limitations, like e.g. that a sustainable society has to give way for economic growth. Moreover, they received critique regarding nonmarketable and often unquantifiable values of ecosystems. (Goldsmith, 1972, Ehrenfeld, 1976 in Brown, et.al., 1987).

The three dimensions, economic, ecologic and social sustainability, are the most common in the sustainable discussion and agree with the conception of the WCED about sustainable development. In the research of an economic sustainable definition Pearce and Atkinson (1993) define sustainable development as an

“economic development that lasts. […] It is continuously rising, or at least non-declining, consumption per capital” (Pearce & Atkinson, 1993, p. 63, referred in Nutzinger & Radke, 1995, p. 23).

The definition of economic sustainability by Pearce and Atkinson (1993) deals with the growth and development process, which has the aim of a constant consumption per capital over time. In this definition sustainability is compared with the aspect of generating a permanent income (Müller-Christ, 2001). The main question of economic research is often about the distortion of inefficient allocations through an efficient internalization of external effects (Daly, 1992). Internalization of external effects implies almost always the regulation of prices outside the market (Müller-Christ, 2001). In the context of economical sustainability a research field arises which is called ‘Ecological Economics’. It represents the position, which endorses substitution on that degree that ensures a conservation of functions of the economic system (Nutzinger & Radke, 1995). Constanza (1991) defines ecological economics as “a new trans disciplinary field of study that addresses the relationship between ecosystems and economic systems in the broadest sense” (Constanza, 1991, p. 3). The critique on this approach is the uncertainty if a compliance of this idea really supports the sustainable development path (Vornholz, 1995). In sum, economic sustainability is a postulate of preservation of substance. This agrees with the economy’s and companies’ orientation of the going-concern-principle (Müller-Christ, 2001).

The protection of the substances is also a goal of the ecologic sustainability. Future generations should be able to revert to the same productive capacity of the natural environment like present generations (Müller-Christ, 2001). This implies a protection of natural resources (Nutzinger & Radke, 1995). There are two types of natural resources. They can either be renewable (e.g. corn, wood) or non-renewable (fossil fuel, biodiversity, soil quality) (Dyllick & Hockerts, 2002). Furthermore, natural capital takes the form of ecosystem services like climate stabilization, water purification, soil remediation, reproduction of plants and animals (Dyllick & Hockerts, 2002). A pursuit of the principle of ecological sustainability implies a mineralization of environmental pollution, environmental exploitation and thoughtless use of non-renewable resources (Hart, 1995).

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2 These claims are based on Maslow (1970).
Dyllick and Hockerts (2002) describe that

“ecologically sustainable companies use only natural resources that are consumed at a rate below the development of substitutes. They do not cause emissions that accumulate in the environment at a rate beyond the capacity of the natural system to absorb and assimilate these emissions. Finally they do not engage in activity that degrades eco-system services” (Dyllick & Hockerts, 2002, p. 133).

The social sustainable discussion deals with the support and protection of social capital (Müller-Christ, 2001). Pearce and Atkinson (1993) pursue the assumption of an aggregate social capital stock. This social capital stock includes elements like man-made and reproducible capital (machines and infrastructure), natural capital and human capital (knowledge and skills) (Pearce & Atkinson, 1993). While for example Dyllick and Hockerts (2002) identify only two types of social capital: human capital and societal capital. Human capital includes primarily aspects like skills, motivation and loyalty of employees and business partners. Societal capital contains the quality of public services, like good educational systems and infrastructure of a cultural supportive of entrepreneurship. Companies’ management with social capital is not new. (Dyllick & Hockerts, 2002) A popular concept in the context of social discussion is the concept of Corporate Social Responsibility (CSR). In the 1960s the CSR concept started to generate broader interest especially in the US (Likert, 1967) and the UK (Goyder, 1961). In the early 1970s, the concept also became known in Europe, but the most attention on CSR was between the mid-1980s and mid-1990s. (Dyllick & Hockerts, 2002) CSR is always regarded as a synonym of sustainability. Main differences between these two concepts are that sustainability includes not only the responsibility to stakeholders, but more the responsibility to the whole humanity and future generations. Dyllick and Hockerts (2002) develop an appropriate definition of a socially sustainable company:

“Socially sustainable companies add value to the communities within which they operate by increasing the human capital of individual partners as well as furthering the societal capital of these communities. They manage social capital in such a way that stakeholders can understand its motivations and can broadly agree with the company’s value system” (Dyllick & Hockerts, 2002, p. 134).

The discussion about the different dimensions shows that only a partial maximization of an environmental protection in consideration of economic and social side effects cannot withstand the demand for sustainable development (Müller-Christ, 2001). Rather there is a general demand of equal importance in the three dimensions. A try to combine these three dimensions into one model is the triple-bottom-line-model of sustainability. This model places the three dimensions or pillars of sustainability side by side in an equal range. However, some authors criticize this model because of the individual consideration of natural, human and social capital and the low attention of absolute ecological limits of the earth’s system (Geßner, 2008). Mauerhofer (2007) criticizes also the relations, which assume that society depends on the economy and the economy depends on the global ecosystem. He points out that many relationships within society do not depend on economic factors but on other factors like friendship or altruism. Further on, he explains that an economy cannot exist without a society. (Mauerhofer, 2007)
Other models like the triangle model are also confronted by the accusation of a missing explanation of the relationship between the dimensions (Mauerhofer, 2007). The intersection model of sustainability (see Figure 1: Intersection model - social, ecological and economic sustainability) is also a typical approach to implement the demand of an equal range of the dimensions (Müller-Christ, 2001).

![Intersection model - social, ecological and economic sustainability (Müller-Christ, 2001, p. 72)](image)

The intersection towards an ecological development is defined as environmental protection through economic growth. The intersection towards a social development is defined as social improvement through economic growth. Lastly, the intersection between social and ecological development is defined as social improvement through environmental protection. With the intersection of all three dimensions of sustainable development a win-win-win-situation is created. (Müller-Christ, 2001) That means if economic objectives are achieved than social and ecological objects are also achieved. With this assumption harmonious relations are assumed. However, the reality shows that there are also conflictual and contradictory relations. Considering this fact, a company has to manage the area of tension between the dimensions of sustainability. Müller-Christ (2001) proposes a continuous analysis of side effects of economical, ecological and social measures towards a minimization of these side effects.

Seghezzo (2009) develops an alternative sustainable triangle model. He criticizes that in the definition the discussion of fundamental aspects regarding development is missing. The three basic elements of this alternative model are place, performance and persons (the new three P’s). Place includes the three dimensions of physically, geographically and culturally constructed space where all people live and interact. Performance is defined as a temporal dimension based on the potential long-term effects of humans’ actions and intergenerational justice. The fifth dimension is persons, which is defined as a symbol of people as individual human beings and not as undifferentiated members of society. (Seghezzo, 2009)

In this study sustainability is defined as a whole-embracing concept which includes economical, ecological and social dimensions in a long-term perspective. A company is seen as a resource absorbing and delivering system. According to this fact a company depends on other systems. These systems need to protect and support resources in order to guarantee a continuous flow of resources, which is essential for the company’s alive. In this context the economic dimension includes systems like suppliers and other stakeholders. The ecological dimension includes the system nature. The requirement is the protection of the nature and its resources and the attention of absorption capacity of natural elements like air, water and soil. In the social dimension it is more useful to name it social resource than social system. The reason for this is that in the social context there are no systems, which are comparable to e.g. the economic system or the ecosystem. Due to this fact it is named social resource, which includes
human resources and society resources. With this division a macro level (society) and a micro level (human) is considered. On the macro level there is the society with culture, ethic and value. On the micro level there is the human with motivations, skills and needs. Very important aspects of the definition are the terms ‘whole-embracing’ and ‘long-term perspective’. The request for a whole-embracing concept is due to the fact that aspects of sustainability need to include the whole company’s system and structure in avoidance of surface behavior, which eventually is revealed by customers or other stakeholders. The long-term perspective is included to give response to the request of the WCED for an intergenerational perspective.

2.1.2 Concepts of Sustainability in Strategic Management

Simultaneously to the debate of sustainability, several concepts which focus on an integration of sustainability into strategic management have been developed. In this paragraph some concepts are presented in order to provide an overview for an integration of sustainability into strategic management.

The natural-resource-based view of the firm (Hart, 1995) extends principles of the resource-based view with the integration of an external perspective in form of an integration of bio-physical (natural) environment. Hart (1995) points out that internal and external factors are fundamental for competitive success. The resource-based view focuses on internal (organizational) capabilities and changing external (environmental) circumstances (e.g. Andrew, 1971; Penrose, 1959) as well as on the relationship between resources, capabilities and competitive advantages (Hart, 1995). To gain competitive advantages firms’ resources and capabilities must be tacit (causally ambiguous), socially complex and rare (e.g. Teece, 1987; Winter, 1987). However, technical leads or shifts in external circumstances may lead to make existing competencies obsolete or lead to a rapid development of new resources (Tushman & Anderson, 1986). Hart (1995) describes that

“the most important drivers of new resources and capabilities for firms will be the constraints and challenges posed by the natural (biophysical) environment” (Hart, 1995, p. 989).

Due to this fact, Hart (1995) claims a paradigm shift for the field of strategic management becoming environmentally sustainable. Furthermore, in the coming years gaining competitive advantage depends on a set of emerging capabilities such as green product design, waste mineralization and technical cooperation (e.g. Gladwin, 1992; Hart, 1994).

In his concept, Hart (1995) composes the firm’s relationship to the nature environment by three interconnected strategies: pollution prevention, product stewardship, and sustainable development. The environmental driving force behind pollution prevention is mineralization of emissions, effluents and waste through using pollution-control equipment or better housekeeping, material substitution, recycling, or process innovations (e.g. Cairncross, 1991; Frosch & Gallopoulos, 1989; Willig, 1994). The out of these resulting new key resources for the firm is continuous improvement, which can lead to a competitive advantage of lower costs (Hart, 1995). The second strategic capability is product stewardship, which is driven by force of minimizing life-cycle costs of products. Life-cycle analysis can be helpful to reduce life-cycle environmental costs for example through the minimization of non-renewable resources, the avoidance of using toxic materials or the use of living (renewable) resources in accordance to their rate of replenishment (Robert, 1995). Also the end of the product’s life must be analyzed due to a low impact of environmental impact and easy composting, reuse or recycling (Kleiner, 1991). The key resource of product stewardship is stakeholder integration, which can lead to the competitive advantage of pre-empt competitors (Hart, 1995). The third
strategic capability is sustainable development and the environmental driving force of minimizing environmental burden of firm’s growth and development. Pursuing a sustainable development strategy implies sustainable investments and a long-term commitment to market development. The shared vision is the key resource and the competitive advantage is the future position. (Hart, 1995)

Hart (1995) develops a framework to analyze the connections between these strategies regarding key resources’ requirements and their contributions to sustainable competitive advantage. Hart’s (1995) findings include that a pollution-prevention strategy is people intensive and depends on tacit skill development through employee involvement. This complex nature of this capability is difficult to observe and hard to duplicate for competitors (Hart, 1995). Hart (1995) terms the pollution-prevention strategy also as a total quality environmental management. Product stewardship implies the integration of external stakeholders (environmentalists, community leaders, the media, and regulators) in the decision process of designing and developing a product. This integration leads to the opportunity for sustainable competitive advantage through accumulation of socially complex resources. Developing and investing in markets creates the opportunity to build a shared vision of future to require strong moral leadership (Bennis & Nanus, 1985) and a social process influencing the managements’ ranks (Campbell & Yeung, 1991; Hart, 1992). The creation of a new vision is a rare (firm-specific) resource (Fiegenbaum, Hart & Schendel, 1996).

Another concept is the sustainable resource management. It bases on the conception that a company is a resource-depending system (Müller-Christ, 2001). Firm’s existence and development is depending on a constant flow of resources. Firms take resources from upstream systems and deliver resources to downstream systems. Distortion of the resources’ flow happens if the resource-taking system uses more resources than the resource-given system can produce or if a system gives more resources than the downstream system can absorb. To forestall distortion of resources’ flow it is rational to protect the delivering and absorbing systems through attention of systems’ autonomy (Müller-Christ, 2001). A firm has therefore to deal with contradictory requirements in their management system always in light of reminding the object of the company and the manner of handling with resources to invest in substance preservation (Müller-Christ, 2001). Both, persecution of the company’s objectives and preservation of substances depend on resources, which companies refer from the environment. This resource-orientated perspective bases also on the resource-based view and on the resource dependence perspective. However, Müller-Christ (2001) criticizes a lack of the preservation-of-substance-perspective in these established concepts. The sustainable resource management focuses on the question of how the company’s existence can be ensured through preservation of resource interchangeability of the environment (Müller-Christ, 2001). The attention of the concept is paid to a stabilization of the relationship between company and environment (Müller-Christ, 2001). In order to achieve this, it is essential to preserve the replenishment of needed resources through reducing the consumption of resources in their possible capability or through investing in the replenishment of resources (investments in resources’ capability) (Müller-Christ, 2001). This request relates to all company used tangible resources (natural capital, real capital), intangible resources (human capital, organization capital, social capital, intellectual property) and financial resources (Gandenberger, 2008).

A different concept is the Corporate Sustainability Management System (CSMS) by Azapagic (2003). This concept is a systematic step-by-step guidance, which translates general principles of sustainable development into corporate practice towards a more sustainable business. Azapagic (2003) claims that a corporate sustainability strategy needs to emerge from and be embedded into the business vision and strategy in order to be successful.
Further, Azapagic explains

“corporate sustainability is not an ‘add-on’ as often assumed by some; rather, it should be viewed as an ‘umbrella’ tool which helps business to identify and manage economic, environmental and social risks in an integrated way” (Azapagic, 2003, p. 304).

In this context a company, which is interested in a long-term sustainable development, seeks to penetrate new markets and provides value-added solutions. An integrated sustainable approach can unlock numerous opportunities to improve competitiveness and enhance reputation. Azapagic’s framework (see Figure 2: Corporate Sustainability Management System) is composed of five stages: Sustainable Development Policy, Planning, Implementation, Communication, and Review and corrective action. (Azapagic, 2003)

![Figure 2: Corporate Sustainability Management System (Azapagic, 2003, p. 305)](image)

The first step of the Corporate Sustainability Management System is the definition of sustainable development policy. The policy needs to encapsulate the set of core business values fitting with the company to contain statements of principles or policies on economic, environmental and social responsibilities and stakeholder relationships. For the definition the formulation of demonstration of leadership and commitment to sustainability has to be carried out and threats, opportunities, stakeholders and sustainability issues need to be identified. (Azapagic, 2003)
Azapagic (2003) points out that

“management board and senior management team have a critical role to play in setting up and implementing the CSMS by demonstrating leadership and strategic commitment to sustainability” (Azapagic, 2003, p. 305).

This means that managers are responsible for building successfully, sustainable and competitive business, projecting a long-term vision and the company’s reputation. A clear message to employees and external stakeholders about sustainability commitment leads to a better translation into everyday practice. The identification of strategic opportunities and threats may include new and proposed legislation, industry practices, standards and future trends, technical development (e.g. clean technologies), competitors’ strategies and community interests and pressure-groups. Identifying company’s stakeholders is an important step to analyze how the company’s activities affect each group of stakeholders in a positively or negatively way. This is essential to identify current and future needs of stakeholders and areas of potential conflict.

Azapagic (2003) defines sustainable issues as economic, environmental and social issues, which are relevant for the company’s activities. Economic issues are classified into micro- and macro-level concerns. Micro-level issues are related directly to the economic performance of the company including financial measures like sales, turnover, cash flow, profit and shareholder value. Macro-level issues connect corporate performance with considerations at national and international levels. For the identification of environmental issues Azapagic (2003) advises to identify sources of environmental problems by business areas (e.g. production, transport, product, etc.) and the impacts along the whole supply chain. Social issues have to contain both interests, of employees and the wider communities for example in the areas of human development and welfare (e.g. education and training, health and safety, management competence), equity (e.g. wages and benefits, equal opportunity and non-discrimination) and ethical considerations (e.g. human rights, cultural values, intergenerational justice). (Azapagic, 2003)

The second step planning includes the establishment of the baseline, a sustainability SWOT (strength-weaknesses-opportunities-threats) analysis, setting objectives and targets, developing action plans, identifying key personnel and assigning responsibilities as well as identifying and allocating resources. Before setting sustainable objects and targets it is very important to measure a baseline (starting point) for economic, environmental and social performance based on the sustainable issues. It is helpful to develop sustainable indicators to enable measurement of the baseline and future performance monitoring. When setting objectives and targets it must be clear where the company wants to go, how it is getting there and how soon. Azapagic (2003) also claims that the targets and objectives are relevant to the key sustainable issues and indicators and that they are clear, concise, realistic and possible. On this set of objects and targets bases the action plan. It must also include the key sustainable issues, the related business areas and the results of the SWOT analysis. (Azapagic, 2003)

Implementation of the Corporate Sustainability Management System includes the identification of sustainable priorities and affiliating them with business priorities. Further, appropriate projects and tools need to be identified for the integration of sustainability into business practice. Such specific projects should be developed for each business area and a detailed action plan with specific staff responsibilities and target data should be set. Monitoring and reporting systems are also established on this step of CSMS. (Azapagic, 2003)
Internal and external communication of the concept is essential for its success. The internal and external reporting procedures need to outline the company’s sustainable development objectives and compare performance against them. At regular interval a summary of progress should be communicated to all employees and annual sustainable reports should be given to external stakeholders. (Azapagic, 2003)

The last stage of the Corporate Sustainability Management system process is the *review and corrective action*. Azapagic (2003) admits for the review period a range from three months to one year. If the company not reaches the targets, the reasons must be identified and an appropriate corrective action ensured in order to guarantee that the targets will be achieved in the next planning period. (Azapagic, 2003)

Nathan (2010) develops a concept in which sustainability is also waved into a strategic management process. The concept is the basis for analyzing important considerations of core strategy, sustainability consciousness and sustainable competitive advantages. Nathan (2010) uses a strategic management process model based on Hill and Jones (2008) and Thompson et. al. (2009). This process starts with strategic formulation through defining a mission, vision, values, goals and strategic choice (Nathan, 2010). The vision finds an answer to the questions *Where are we going?* and *What will it look like when we get there?* While the mission outlines in which kind of business the firm is in and makes sustainability an integrative part. Sustainable values are added as a supporting element and include e.g. fairness, responsibility and opportunity for all. Besides these elements of strategic sustainability formulation, internal and external analyses influence the strategic choices of the firm. An external analysis comprises the macro-environment (e.g. regulatory environment), the competitive environment, the industry, the driving forces of an industry and precipitate changes. The integration of sustainability into the external analysis places in opportunities for competitive advantages for example in the technological environment or sustainable teamwork with suppliers. The internal analysis concerns core competencies, the competitive position of the firm and sets of skills across the entries range of business functions. The next stage of the concept is the strategy pyramid including functional level strategies, business level strategies, global strategies, corporate level strategies and the analysis how sustainability can be integrated in these strategies. Examples for solutions of integration of sustainability in functional level strategies are the development of R&D strategies such as cradle to cradle design, bio-mimicry and crowd-sourcing (finding solutions with customers or other stakeholders). The last stage is the implementation of the strategy. Lester (2008) points out that for a successfully implemented strategy, the sustainability management needs strategies, resources, capabilities, structures and processes. Furthermore, deliberations should have an influence on the development of sustainability performance-based rewards, the creation of a culture and the search for best practices (Nathan, 2010).

The concepts described above give an impression of the link between sustainability and strategic management. Hart (1995) for example connects (natural) environmental forces and specific strategies with competitive advantages for the firm, which demonstrates opportunities and benefits for companies and their environment. Criticism on this concept is the limitation on the environmental perspective. However, Müller-Christ (2001) covers the tangible resources, intangible resources and financial resources. He claims a rethink and sets general food for thoughts that can be translated into several parts in a company, for example sustainable human resource management in which employees need to be protected and supported to save their productivity, motivation and loyalty. Nevertheless, a concrete model or operational solution, which is useful in practical business, is missing. Azapagic (2003) develops a comprehensible model. An interesting point is the representation of a cycle, which guarantees a
permanent monitoring of circumstances, objectives and measures. Both, Azapagic (2001) and Nathan (2010) integrate firm’s vision, mission and value in their concepts. Furthermore, Nathan (2010) suggests an impact on sustainable performance-based rewards and creation of a culture. However, the concept neither elaborates detail information nor gives special strategies or solutions. All in all, some interesting points are shown and can be useful for the later introduced concept of Sustainable Strategic Brand Management.

2.2 Brand Management

“Brands have become a major player in modern society. In fact they are everywhere” (Kapferer, 2008, p. 9).

As this quotation shows brand management has become an important part in business. To understand the phenomenon of brands and brand management it is essential to consider different views. Therefore, this paragraph takes a closer look on different definitions and understandings of the terms brand and brand management. The aim of this procedure is to find appropriate definitions, which can be used as the basis for the theoretical framework of this study. Afterwards, three concepts of brand management are presented, which also have an important contribution to the later introduced frame of reference.

2.2.1 Definition of the Terms Brand and Brand Management

The definition of the term brand is a point of disagreement in literature. Each author comes up with his or her own definition. Over the years as well in science as in practice the brand concept has been defined differently according to understanding and situation of use. To the present day there is a multitude of terms. (Kapferer, 2008) Domizlaff describes the brand as a finished product, which is branded by a specific sign and which presents a constant appearance and price in a bigger area of dissemination to the customer (Domizlaff, 1951). In contrast to that Ogilvy’s view is more customer-based and focuses on the relationship between the customer and the brand. He considers the brand as the consumer’s idea of a product (Ogilvy, 1951). Based on Kotler (2000) and Keller (1993) the American Marketing Association characterized the term brand as

“a name, term, sign, symbol, or design, or a combination of them intended to identify the goods or services of one seller or a group of sellers and to differentiate them from those of competition” until 2004 (American Marketing Association in Keller, 2003, p. 3).

In 1998 Keller improved his definition and came up with the following:

“A brand is […] a product, but one that adds other dimensions that differentiates it in some way from other products designed to satisfy the same needs. These differences may be rational and tangible […] or more symbolic, emotional, and intangible” (Keller, 1998, p. 4).

In 2004 the American Marketing Association published a new definition of the term brand. Since 2004 the American Marketing Association understands the brand as

“a name, term, design, symbol, or any other feature that identifies one seller’s good or service as distinct from those of other sellers. The legal term for brand is trademark. A brand may identify one item, a family of items, or all items of that seller” (American Marketing Association, 2004).
This definition bases on the understanding of a brand as a legally protected trademark or a branded product. The result of this comprehension is that only different outward forms and functions of a brand (origin or guarantee functions) are considered, without a previous determination of the brand’s substance (Meffert, et.al., 2005). Referring to Keller (2003) Burmann, Blinda and Nitschke (2003) move the focus especially on this aspect and put the brand’s substance in the center of their definition. Burmann et.al. (2003) describe the brand as a bundle of benefits with specific characteristics. These characteristics ensure that a bundle of benefits is able to differentiate permanently from other bundles of benefits, which fulfill the same basic needs. Moreover, Burmann et.al. (2003) point out that the permanently differentiation has to be considered from the perspective of relevant target groups. 

The brand as a bundle of benefits consists of tangible and intangible components. It is in two ways a kind of bundling. On the one hand physic-functional components of benefit and on the other hand various signs as symbolic components of benefit are bundled. Physic-functional components of benefits are a result of the company’s innovative capability. The bundle of symbolic components of benefit includes beside patentable signs, like name, logo, music-jingles or designation of origin also non-patentable signs, which characterize the appearance and nature of the brand. The symbolic and the physic-functional components of benefit can both in different ways contribute to a permanent differentiation and thereby to the development and strength of a brand. The extent and lasting effect of differentiation is most successful when both symbolic and physic-functional components of benefit differ from competing offers. The entire bundle of benefit sends external perceptible signals, which are reflected in the brand image of external target groups. (Meffert, et.al., 2005)

This understanding of the term brand distances itself from other approaches in brand literature, which view the brand only as a bundle of signs, as an industrial trademark right, as a consumer’s image or as a branded product. In conclusion, Burmann et.al. (2003) manage it to develop a comprehensive brand definition based on a holistic oriented brand management. Therefore, this definition is taken as the basis for further theory understanding in this thesis.

Besides the term brand also the term brand management needs to be clearly defined and considered. To get a better understanding of the concept of brand management a closer look on the development and different approaches of brand management is taken in this paragraph. In this context five phases of brand management development can be named. The phases are formed through significant changes in the company’s tasks (macro level) and changes in the relationship between producer and industry (micro level). Lasting from the middle of the 19th century until the beginning of the 20th century, the first phase describes the brand as a symbol of ownership. The developing industrialization and mass-production led to a loss of personal relationships between producers and consumers (Leitherer, 2001). An anonymous mass-market established and producer lost the personal contact to their consumers. Due to the fact that in many branches the production technologies were not well-engineered the quality of the products varied a lot and the structure of the market was strongly regionally characterized. Anonymous products were the main actors in almost all product branches during this time. Therefore, producer started to brand their products as a symbol of ownership and origin, which characterized the understanding of brand management in this period of time. Brand management as a business management concept existed not yet. (Leitherer, 2001)

3 This definition of the term brand is originally prepared in German and written as follows “Die Marke ist ein Nutzenbündel mit spezifischen Merkmalen, die dafür sorgen, dass sich dieses Nutzenbündel gegenüber anderen Nutzenbündeln, welche dieselben Basisbedürfnisse erfüllen, aus Sicht relevanter Zielgruppen nachhaltig differenziert” (Burmann, Blinda & Nitschke, 2003, p. 3).
The second phase lasts from the beginning of the 20th century until the mid-sixties and views the brand as a catalogue of characteristics. This instrumental approach of brand management established through a growing consumer-goods oriented product focus. The brand concept was characterized by a catalogue of characteristics, which was only used for tangible consumer goods. Considering this understanding services, investment goods and intermediate products were not seen as brands. During this period companies started to deal with topics like finding and designing a suitable name, packaging and classical advertisement. (Mellerowicz, 1963) In 1939, Domizlaff formulated the 22 principles for natural brand development, which were the first written down principles of brand management. These principles name the constitutive characteristics of the brand and the basic instruments, which are essential for the development and management of brands (Domizlaff, 1951). Even though from the present point of view this approach seems strange and half-developed during the second phase (beginning of the 20th century - 1960s) this understanding of brand management prospered.

In the third phase (mid-sixties - mid-seventies) of the development of brand management the understanding of an offer-related brand dominated. This phase was influenced by recessionary tendencies and the later occurring oil crisis. Simultaneously the market changed from a seller-market to a buyer-market, the range of product offers increased enormously and sales activities moved more and more in the center of focus for companies. Especially in the USA companies developed a lot marketing-know-how, which was used in order to profile brand products and to establish the brand position. By 1967, already 84% of all US large consumer packaged goods manufacturers had brand managers. (Low & Fullerton, 1994) Besides profiling strategies, the third phase was characterized by the launch of trademarks. Trademarks were not able to establish strong brands, but saved their market share through low prices. The offer-related brand understanding was related to the production- and distribution methods during this period. The brand product was seen as a specific marketing form and no longer as a bundle of characteristics. A functional approach of brand management was developed, which broadened in contrast to the instrumental approach the area of responsibility in brand management. The arrangement of numerous marketing functions is seen as an important competitive advantage in the functional approach of brand management. In this context especially the sales department takes an essential part in the brand product’s success. (Dubber, 1969)

The fourth phase (mid-seventies - mid-eighties) was characterized by tendencies of saturation, critical and especially price-sensitive consumers, fast imitation of technical innovations and the so called aspect of information overload. Therefore, manufacturers of branded goods created new forms to address target groups in addition to classical advertisement (e.g. sponsoring, event-marketing, etc.). In this phase a consumer-oriented and competitive-oriented brand understanding dominated and the image-oriented approach and technocratic-strategic-oriented approach of brand management was established. The image-oriented approach of brand management bases on the results of comprehensive studies regarding the importance, development and components of the brand image. This approach demands the equality of marketing and brand management. (Keller, 1993) The technocratic-strategic-oriented approach of brand management developed parallel to the image-oriented approach of brand management. This approach moves the view from the behavior-construct level to the management level and states that the planning, controlling and coordination of all sales-oriented activities of brand management must be in the center of focus and being implemented in the company’s overall strategy. (Meffert, et.al., 2005)
The fifth phase of development (since the beginning of the nineties) views the brand as a socio-psychological phenomenon and has been influenced by the increasing international networking and the globalization of competition, which has led to an increasingly rapid dissemination of new technical know-how. Moreover, the increasing quality approximation and substitutability of products has led to the fact that in the last years the development of own brands for the differentiation of products has become more and more important. In this context two approaches, the fractal approach of brand management and the identity-oriented approach of brand management, have been developed. (Gerken, 1994; Meffert, et.al., 2005) In the fractal approach of brand management the brand’s core is replaced by a mythos. Through specific rituals (e.g. communicative) this mythos should be permanently connected to the brand. Besides the mythos the brand exists of the components kairos and logos. Kairos is the zeitgeist component, which consists of different or contrary currents and trends of time. The logos component includes the objective information of a brand. It mirrors the consumer’s interest. Besides spiritual components consumers also wanted to gain de facto knowledge about the brand. (Gerken, 1994)

Parallel to the fractal approach the identity-oriented approach of brand management has evolved. In this view a consistent and relevant brand identity builds the basis for consumer’s trust in the brand, which in turns is the basis for a long-term customer and brand loyalty. Nowadays, there are many companies, which brand portfolios exist of several, former independent and later canvassed brands. The acquisition of trademark rights and brand names often leads to the pooling of functional areas or a decommissioning of business divisions or even whole companies, which in turn leads to erosion or even total loss of the new bought brands’ identity. Considering these aspects the development of identity-oriented brand management can be seen as a management process, which implements all planning, coordination and controlling activities, which are essential for the brand’s building. The aim of this approach is a cross-functional and cross-company integration of all with the brand connected decisions and operations. This is necessary for the building of a permanently strong brand-customer-relationship according to the overall objective of the brand’s value maximization. (Upshaw, 1995; Meffert, et.al., 2005)

Considering the different approaches of brand management it is obvious that similar to the development of marketing also the concept of brand management has gone on the one hand through a deepening and on the other hand through a broadening. Based on specific characteristics and later on single instruments the concept of brand management has gone through a deepening by including the effects on the market. Therefore, brand management includes aspects of consumer behavior. Another deepening has happened through the addition of the internal perspective of brand management. In the course of broadening brand management has extended from a high-quality consumer goods limited view to generic products, services, investment goods, artists, associations towards cities and regions. (Meffert, et.al., 2005)

In conclusion, the identity-oriented brand management approach bases on previous approaches and manages it to combine previous approaches appropriately, respectively adapts these concepts to the modern age and today’s circumstances. Therefore, this concept is taken as the basis for further theory understanding in this study. Moreover, it builds the framework for the later introduced concept of Sustainable Strategic Brand Management.
2.2.2 Concepts of Strategic Brand Management

Brand management is an important section of marketing. During the last decades several concepts of brand management have been established. As already mentioned, brand management consists of three parts: strategic brand management, operative brand management and brand controlling. Relating to the purpose of this work concepts of brand management and their content regarding strategic brand management need to be considered in order to find a basis for the concept of Sustainable Strategic Brand Management.

In 1986, Park, Jaworski and MacInnis developed a framework, termed Brand Concept Management (BCM), which consists of strategic as well as operative components. This framework includes the stages of selection, introduction, elaboration and fortification. In these stages the approach depends on whether the brand concept is functional, symbolic or experiential. Out of the introduction stage an appropriate marketing mix for the establishment of the image/position can be derived. Out of the elaborating stage an appropriate marketing mix for the enhancement of the value of the image/position can be developed and out of the fortification stage an appropriate marketing mix for brand concept associations can be taken. Moreover, Park et.al. (1986) state that out of the brand concept positioning strategies are formed, out of the positioning strategies a marketing mix given competitive situation is developed and finally out of this situation consumers’ perceptions of image/position result. (Park, et.al., 1986)

This concept points out important components of the concept of brand management and includes strategic as well operative aspects. Nevertheless, this concept misses several essential parts of brand management. First of all, the concept includes no controlling or feedback components. Due to the fact that consumers and their needs and wants can change through time it is always crucial to control and if it is necessary to adapt parts of the strategy. Park’s et.al. concept gives the impression that if a company chooses once a strategy/position, this strategy/position can never be changed or adapted. Furthermore, the concept bases exclusively on the external perspective. Although the authors mention that a brand concept develops from external and internal considerations, the concept fails to consider the internal perspective, like e.g. company objectives, brand objectives and brand identity, which are important parts in a brand concept. The concept bases on the brand image/position and views only the outside perspective of brand management.

Another interesting point is that the authors distinguish between three brand concepts (functional, symbolic and experiential). Considering these three separated brand concepts the question arises why the authors make this separation and state that a brand concept can only be functional, symbolic or experiential. This is highly debatable because every product/brand has a functional as well a symbolic component. A product/brand without a functional component will never be bought and a brand without a symbolic component is not a brand because the symbolic component is what especially constitutes a brand. Therefore, this separation seems to be useless and improper.

When screening the concept of strategic brand management Urde’s approach can also be helpful to get closer to this field. Urde (1999) takes the above mentioned critique into account and assumes that

“integrity and brand competence are required in order to create, develop, and protect brands that have an identity, and not just an image” (Urde, 1999, p. 117).
Urde (1999) broadens his view and considers in his approach as well the brand image (outside perspective) as the brand identity (inside perspective). In addition, Urde (1999) recognizes the importance of a brand-consumer relationship and states that a product can be compared and substituted by another product, but a brand with a personality and identity of its own provides the basis for a unique relationship. In his study Urde (1999) develops a model, the Brand Hexagon (see Figure 3: The Brand Hexagon).

Figure 3: The Brand Hexagon (Urde, 1999, p. 125)

This model presents Urde’s understanding of brand management. In this view the brand mission represents the point of departure. The brand mission includes the brand’s reasons for existence, core values, identity, personality and strategy. Value and meaning are communicated via the product, product category, target audience, company and brand name, as well the positioning and core values. The aspects listed above are closely linked to each other and constitute together the basis for the brand strategy and brand identity. Furthermore, communication plays a major role in this concept, because through communication the brand identity can be explained to the customer. Awareness, associations and loyalty build the fundamental inner relationships in Urde’s model. Awareness is the first step. Without awareness the brand is not recognized by the consumers and cannot be further built up. Following, the brand is differentiated and attitudes and feelings are created through associations and finally, a strong relationship and loyalty are created through the communication of the brand identity and core values.

In contrast to Park et.al. (1986) Urde (1999) focuses on the brand identity and recognizes that it is necessary to formulate first an internal brand identity. Moreover, Urde (1999) points out the importance of a corporate brand management and the integrity of the brand within the whole organization. Considering Urde’s model it must be stressed that his approach focuses legitimately on the brand identity, but neglects to explain precisely what the brand identity is and of which components the brand identity consists. Moreover, the question arises where and how the brand mission and vision, the point of departure of Urde’s model, come from. It is an obvious weakness of Urde’s approach that he neglects to take a situation analysis as a basis of his model. This is essential in order to know about current customer wants and needs, which in turn should be the starting point of all marketing activities.
In 2003, Burmann, Blinda & Nitschke have developed the identity-oriented brand management model. Similar to Urde (1999) this approach has also the basic idea to complement the classical one-side orientated outside-perspective (brand image) with the inside-perspective (brand identity) (Burmann, et.al., 2003). While the brand image represents the image of others (external target groups, like e.g. consumer, customer), the brand identity symbolizes the self-image (internal target groups, like e.g. employees, marketing agents) (see Figure 4: Identity-oriented Brand Management Model).

![Identity-oriented Brand Management Model](image)

**Figure 4: Identity-oriented Brand Management Model (Burmann, et.al., 2003, p. 5)**

The main task of identity-oriented brand management is the creation of an independent brand identity and a consistent design and communication of all brand identity’s components. Through this, a brand concept shared by internal and external target groups can be created, which strengthens the brand. To perform this task, a management process is required, which includes all brand controlling activities (Burmann, et.al., 2003). Therefore, Burmann et.al. (2003) have developed a management process, termed process of identity-oriented brand management, which systemizes all brand management activities chronologically. This process is divided into three sub-processes: strategic brand management, operative brand management and brand controlling. Due to the purpose of this study in the following the sub-process of strategic brand management is exclusively contemplated (see Figure 5: Strategic Brand Management Process).

![Strategic Brand Management Process](image)

**Figure 5: Strategic Brand Management Process (Burmann, et.al., 2003, p. 10)**
In this model a profound analysis of the current brand’s initial situation is the point of departure. Therefore, a comprehensive analysis of external factors (e.g. customer needs, current trends, actual positioning of the brand especially in comparison to competitive brands and brand touch points) and internal factors (e.g. organizational skills, resources, company’s culture) is required. Besides the results of this analysis, the corporate goals and brand goals build the basis for the brand’s strategy as well the brand identity concept and its implementation. Brand goals can be economic (e.g. price premium of the brand, market share of the brand, etc.) as well as psychographic (e.g. brand awareness, brand sympathy) and set guidelines for the brand identity concept. After defining the corporate goals and brands goals, an important step, the design of the brand identity, follows. A brand consists of different components, but is holistically perceived. Therefore, the individual components of a brand must build together a consistent, conclusive character in order to differentiate from other brands. (Burmann, et.al., 2003)

In Burmann’s et.al. approach (2003) the brand identity plays a major role. On the basis of identity research, Burmann et.al. (2003) figure out six constitutive attributes, which enable a comprehensive brand identity description. These attributes are: brand origin, brand competences, brand performance, brand vision, brand values and brand personality. The brand origin builds the basis of brand identity, the brand competences base on resources and organizational skills of the company and justify and safe the specific competitive advantage of the brand. The kind of brand performance determines in which way a brand can be used by customers and the brand vision guides the design of the identity. Brand values represent believes of the brand and its representatives and the brand personality influences the brand’s style of communication. (Burmann, et.al., 2003)

In contrast to the earlier described concepts, Burmann’s et.al. (2003) concept includes four more steps, which go beyond the consideration of a single brand and its identity, but view the brand inside a complex company network. These steps include the consideration of the brand architecture, brand identity of other company brands, brand evolution and brand organization. The design of the brand architecture is essential in order to coordinate a portfolio of brands. The brand architecture can be differentiated through three dimensions: the vertical dimension (integration degree across different hierarchical organizations and brand levels), the horizontal dimension (number of brands on a hierarchic level) and the trade-oriented dimension (brand’s performance in trade). On the basis of the brand architecture the brand identities of the other brands (e.g. product brands) can be defined. These identities are operationalized through the earlier explained six components of brand identity. (Burmann, et.al., 2003)

Whereas decisions regarding the design of the brand architecture refer to a certain point of time, decisions regarding the brand evolution strategies relate to the future in a dynamic perspective. Due to changing market and company conditions, brands must develop over time. Therefore, a brand evolution strategy deals as a long-term-oriented plan, which sets the development path regarding the brand’s expansion respectively consolidation for the next two to five years. The last step in Burmann’s et.al. (2003) concept is the brand organization. The brand organization determines the organizational anchoring of a brand in the company. This includes the definition of structures, processes and information as well as incentive systems, which are necessary for the management of a brand. The strategic brand management must be embedded in the highest organizational level in order to guarantee constancy in the brand management, which in turn is essential for a successful brand development. (Burmann, et.al., 2003)
Burmann’s et.al. (2003) concept bases legitimately on the brand identity. First a company must be clear about the brand identity and afterwards the brand strategy can be developed out of this. Moreover, Burmann’s et.al. (2003) concept takes important aspects into account, which are on the one hand fundamental to design the brand identity (situation analysis, setting corporate and brand goals) and on the other hand essential to integrate the brand conforming to the identity inside a complex company network (brand architecture, brand identity of other company brand, brand evolution, brand organization). (Burmann et.al., 2003) In conclusion, it can be stated that this concept conveys an appropriate impression of the strategic brand management process and provides therefore an adequate basis for the later introduced concept of Sustainable Strategic Brand Management.

2.3 Sustainability in the Context of Brand Management

Before introducing the frame of reference a closer look on the concept of sustainability in the context of marketing in general is taken. The idea behind this is to examine the relationship between these two important fields and to point out the general suitability of an integration of sustainability aspects in the field of marketing.

“It is a common assumption that marketing and sustainability are set for a head on collision because marketing is about selling more while sustainability is about consuming less” (Chartered Institute of Marketing, 2007 cited in Jones, Clark-Hill, Comfort & Hillier, 2008, p. 123).

As this quote states, marketing is often erroneously viewed as the contrary of the concept of sustainability. Considering current marketing research, a growing interest in the relationship between marketing and sustainability can be detected, e.g. Jones et.al (2008) examine the questions What can sustainability offer marketing? and What can marketing offer sustainability? Moreover, the field of sustainable marketing has already been developed and several different definitions of the term can be found in literature, e.g. Charter et.al. (2006) define sustainable marketing as

“creating, producing and delivering sustainable solutions with higher net sustainable value whilst continuously satisfying customers and other stakeholders” (Charter, et.al., 2006, p. 12)

The notion of sustainability adds a new dimension to the marketing concept of satisfying customer needs. Besides interpersonal and intrapersonal needs, sustainable marketing also has to handle the balancing of intergenerational needs (Van Dam & Apeldoorn, 1996). Sustainable marketing has the additional challenge to meet

“the needs of the present without compromising the ability of future generations to meet their own needs” (Sheth & Parvatiyar, 1995, p. 6).

Sheth and Parvatiyar (1995) understand sustainable development as making and distributing products in a more efficient way, caring about products’ lifelong environmental impact, planning for products’ recycling and getting suppliers to follow these guidelines. This requires a new mindset, new tools and adjustments through the whole company’s organization. Therefore, a marketing approach that promotes such a sustainable development as it is above described, and the protection of the ecosystem is termed as sustainable marketing (Sheth & Parvatiyar, 1995).
When considering what sustainability can offer marketing, one of the most obvious links between marketing and sustainability is the way in which companies use the concept of sustainability to differentiate themselves from their competitors and to enhance their corporate brand and reputation (Jones, et.al., 2008). Furthermore, the Chartered Institute of Marketing (2006) argues that taking the concept of sustainability on board can lead by employees to greater sense of loyalty and pride in the firm, which in turn can be a valuable asset when employees communicate with customers (Chartered Institute of Marketing, 2006). When viewing what marketing can offer sustainability, it should be considered that marketing deals with understanding and changing consumer behaviour and can have a big impact on people’s attitudes and beliefs. Therefore, marketing can be seen to recognize the key role of consumers as decision makers in moving towards sustainability, like e.g. in reducing carbon dioxide emissions, recycling increasing volumes of waste or supporting Fair Trade initiatives and adopting healthier lifestyles. (Jones, et.al., 2008)

In conclusion, although marketing and sustainability seem to be on the first view as contrary as ‘chalk and cheese’ (Ethical Corporation, 2003) there is evidence that these two concepts offer each other several advantages. First, an increasing number of companies shows interest in being committed to a comprehensive definition of sustainable development regarding the marketing mix of sustainable goods and services. This indicates that many of the sustainability commitments demanded by companies can be seen as being driven by business imperatives. Many of the environmental initiatives are currently developed by a number of retailers in order to reduce energy and water consumption as well as waste emissions, which in turn reduce costs. Second, it is assumed that marketing offers important ways of changing consumer behavior and influencing attitudes and beliefs. (Jones, et.al., 2008) These arguments and the recognized growing interest of research in the relationship of sustainability and marketing, prove that it is obviously important to investigate these two concepts and their relationship to each other further and it can be stated that there is a general suitability of an integration of the sustainability aspect in the field of marketing.

2.4 Frame of Reference - Concept of Sustainable Strategic Brand Management

Having outlined the basic literature and theories regarding the study’s topic, this paragraph follows with the presentation and explanation of the frame of reference, the concept of Sustainable Strategic Brand Management. Therefore, the single steps of Sustainable Strategic Brand Management are explicitly illustrated and justified. This developed concept bases regarding the strategic brand management part mainly on Burmann’s et.al. (2003) identity-oriented brand management model (see paragraph 2.2.2 Concepts of Strategic Brand Management) and regarding the sustainability aspect on different concepts of sustainability (see paragraph 2.1.2 Concepts of Sustainability in Strategic Management). The following figure (see Figure 6: Frame of Reference – The Concept of Sustainable Strategic Brand Management) displays the whole process of sustainable brand management and in detail the developed sub-process of Sustainable Strategic Brand Management.
Figure 6: This Study’s Theoretical Frame of Reference – The Concept of Sustainable Strategic Brand Management
2.4.1 Situation Analysis

A situation analysis is the point of departure of an identity-based brand management and essential for the construction and a successful implementation of the strategic brand management concept (Hofmann, 2008). In the situation analysis information about current and future situations of external and internal environment of the company are collected (Burmann, et.al., 2003). For the data collection primary and/or secondary research can be used (Hofmann, 2008). The situation analysis can be differentiated in external analysis (outside-in-perspective) and internal analysis (inside-out-perspective). In the following paragraph some possible factors of the situation analysis of Sustainable Strategic Brand Management are presented. This factors and the use of analyzing concepts and tools depend on the company’s industry, structure and product/service.

External analysis

A very important factor of the external analysis is the analysis of customer needs (Burmann, et.al., 2003). In this analysis a company must collect detailed information about wishes, needs, preferences, settings and behavior of their current and potential customers for an optimal satisfaction (Hofmann, 2008). In contrast to the identity-orientated model (Burmann, et.al., 2003) the analysis of customers’ needs in the sustainable strategic brand management model includes moreover a special analysis of customers’ demands for sustainable products. For example Vandermerwe and Oliff (1990) notice an increasing preference of customers for pro-green firms and brands, an increased acceptance for recycled goods and packaging and a growing number of green consumers, independent of age and income groups. They also point out that there is a change to enlighten consumers to know how things are made, what materials are used and how post-production and post-purchase activities should be designed. (Vandermerwe & Oliff, 1990)

A further factor of the external situation analysis is the identification of brand touch points or points of interaction with the customer. A brand touch point is defined as any information-bearing experience that a customer or stakeholder has with a brand (Schulz, et.al., 1993). The interaction between consumer and brand can be direct and indirect as well as explicit or hidden (Morgan, et.al., 2007). To identify these points all possible ways that one of the customers or potential customers can form an impression of the brand, the company or the products/services must be detected (Dunn & Davis, 2004) in order to achieve a consistent brand message (e.g. Chernatony & Dall’Olmo Rily, 1999; Duncan & Moriarty, 1998). Examples for brand touch points range from the seller in the retail store to news considering the brand. BP (British Petroleum) for example suffers image damage through the oil spill in the Gulf of Mexico in 2010 (cbsnews.com; cnbc.com).

The analysis of strengths and weaknesses of competitors is another factor of the external analysis (Burmann, et.al., 2003). Besides general information about the competitors especially the strengths and weaknesses concerning competitors’ sustainable performance must be identified and analyzed. A tool for this analysis is for example the Eco-Benchmarking (Schaltegger, et.al., 2002). Schaltegger et.al. (2002) define the benchmark process as a constant search for improvement possibilities and can be differentiated in four phases. The first phase is ‘planning’. This phase includes benchmarking-items like the business process and the product/service. These items are analyzed by the use of criteria like quality, costs and time. The second phase is the realization through data collection, which are analyzed in the next phase. In this phase differences, critical power factors and potential improvement possibilities are worked out. The fourth phase is called ‘act’ by Schaltegger et.al. (2002). This phase involves
the communication of findings, definition of goals and the planning and implementation of measures. In the context of competitors’ sustainable performance especially ecological compatibility of business process and products/services are analyzed and evaluated for example through a comparison of environmental ratios, the ecological business structure and courses and functions of business. In the same form a Social Benchmark can be performed. The major challenge of an Eco- or Social Benchmark is the data collection. (Schaltegger, et.al., 2002)

The analysis of the legal environment is also a part of the external situation analysis (Burmann, et.al., 2003). Especially international companies have to analyze international laws and local domestic laws, additional to the legal conditions and possible changes in the legal system of their home market (Doole & Lowe, 2008). In the context of Sustainable Strategic Brand Management, important aspects of the legal situation are for example legislations considering patent laws, trademark protection, emission laws, cycle and waste management laws or natural conservation laws.

The analysis of the social environment includes issues like culture as well as ethic and the value of a society. The social environment must be analyzed on international, national and regional levels. The company must analyze especially the changes of cultural, ethical and value structures of the different society levels. A tool, which recently gains importance, is the Community Adviser Panel (Schaltegger, et.al., 2002). This tool describes a dialog between a company and different external groups like citizens, experts or representatives of other companies. This neighborhood panel or citizen panel serves for exchange and discussion of opinions, positions and needs. Furthermore, a company can communicate their projects, programs and plans and can put them up for discussion. The range of topics extends from working conditions in the company, environmental questions, safeness or diseases to traffic. (Schaltegger, et.al., 2002)

The analysis of the ecological environment is an additional factor to the concept of Burmann et.al. (2003). For example the company has to analyze which substitutable resources exist and if the company has the opportunities to use these resources. Furthermore, a few studies analyze the relationship between a natural environment and health (e.g. Vries, et.al., 2003; Mitchell & Popham, 2008). One of the findings is that the greenness of the direct surroundings effects people’s health most (Vries, et.al., 2003). In the context of the situation analysis a company can analyze available green spaces or green areas around, which can be used by employees for their breaks and their recovery.

Internal analysis

The internal situation analysis includes the analysis of the actual positioning and additional to the concept of Burmann et.al. (2003) the analysis of the positioning regarding the sustainable performance. A tool for analysis of the actual brand position is the positioning map. These maps present a comparison of different brands considering their perceived benefits. Every benefit provides one dimension in which the brands are classified concerning their level of satisfaction (Meffert, et.al., 2005). To analyze the position regarding perceived sustainable performance dimensions like social engagement, environmental products, working conditions, innovations of sustainable technologies, mineralization of waste etc. should be involved.

An additional point is the analysis of product stewardship. This extension is useful because of the need to analyze needed resources and energy, produced waste and degradability or possibility of recycling of the specific product (Robert, 1995; Kleiner, 1991). Strongly related with an analysis of product stewardship is the analysis of side effects. Side effects are caused in products, processes as well as in the whole business activities. Müller-Christ (2001) proposes
an analysis of side effects of economical, ecological and social measures towards a minimization of these side effects (Müller-Christ, 2001). Concepts and tools for analyzing these two factors of the internal analysis are for example the Sustainable design analysis, Eco-Efficient analysis, Eco-Compass analysis, Product-Line-Matrix analysis and Life cycle assessment analysis (Schaltegger, et.al., 2002).

Sustainable design focuses on the integration of ecological relevant questions concerning product planning, development and design. The goal of product designers must be the environmentally and disposal-friendly design of consisting and new products. For the analysis of the product design a Life-Cycle-Thinking is pursued in which all product influences on the environment are identified and analyzed. A useful tool is the Eco-Compass. With this tool consisting products and processes are compared with environmental relevant innovations and measures for environmental protection. Significant ecological influences of the product can be differentiated in six levels: potential healthy and natural environmental risk, resource conservation, extensions of services, recycling, energy intensity and material intensity. The goal is the identification of possible improvements. A similar technique pursues the tool Eco-Efficient analysis, which units ecological and economic indicators to evaluate and compare products, processes and companies. This tool is especially useful for the development and optimization of products and processes with regard to the relationship between economical added value, ecological impact and company’s goals. The Product-Line-Matrix is also a helpful tool for the analysis of ecological, economic and social impacts of products along the whole life to develop opportunities for improvement. Life cycle assessment is a tool for the identification, evaluation and presentation of environmental influences of company’s products, processes and the whole performance. Findings of the Life cycle assessment can be used as a base for benchmarking, the setting of goals and internal and external communication processes. (Schaltegger, et.al., 2002)

Another additional point to the situation analysis in the identity-orientated brand management is the identification of human resources. This analysis includes the identification of employees’ motivations, skills, needs, competences and industry specific or firm specific know-how. Müller-Christ (2001) points out that a company’s alive depends on the protection of current resources and the need of a constant resource flow. Due to this fact it is essential and rational for the company to identify, protect and support their human resources and the relevant sources of resources to ensure a constant qualitative capability and willingness.

Based on deductions from the preceding analysis, threats and opportunities for the company concerning sustainability can be identified. Forecasting tools are for example the Cross-Impact-Analysis and the Multiple Scenario analysis. The Cross-Impact-Analysis is helpful to identify and evaluate connections between current and possible future situations and to show needed adaptions in special business areas, divisions or product ranges. Possible opportunities and risks can be identified and their probability of occurrence can be evaluated. The Multiple Scenario analysis is also a tool for the identification of opportunities and risks. (Schaltegger, et.al., 2002)

The analysis of external and internal circumstances is the base for further strategic decisions like the setting of brand goals and the definition of the brand identity. For example the internal and external analysis concerning the fit between brand image and brand identity is important to identify consisting gaps and weak points, which are an important information base for the identity-oriented brand management.
2.4.2 Corporate Goals/Brand Goals including Sustainable Guidelines

Company’s goals and objectives reflect the company’s primary business intentions. Goals determine as well the itinerary as the timetable for getting there. To put it concisely, the company’s goals encourage the company to focus on the important work at hand and offer a mechanism to measure the process. Goals are set in order to make the company more efficient and effective. When setting goals and objectives several guidelines are useful and should be considered. (Tiffany & Peterson, 2005) The SMART-method includes such guidelines and states that goals must be specific, measurable, action-oriented, realistic and time-bounded. A goal should be specific in order to know exactly what to focus on and why. It is important that a goal is measurable, because without measurement the extent of improvement cannot be found out and comparisons as well as a success control cannot be carried out. The need for a goal being action-oriented bases on the fact that non action-oriented goals probably are never being achieved, because without doing something, nothing will or can happen. Furthermore, goals should be realistic, which means that goals should be neither overstated nor understated. Overstated goals can lead to excessive demands of employees and understated goals can low the employees’ motivation. The last requirement on a goal is to be time-bounded. This is due to the fact that open-ended goals lead to take too much time. Breaking down goals into time pieces leads to accomplish goals more focused, less intimidating and more easily scheduled. (Ventrella, 2001)

Inside the process of Sustainable Strategic Brand Management, the step of setting corporate goals as well as brand goals including sustainable guidelines follows on a comprehensive situation analysis. In this concept the aspect of setting goals is extended to the consideration of sustainable guidelines. In this context, it is important to mention that the extension of the sustainability aspect is intentionally made in form of sustainable guidelines, which frame the corporate goals and brand goals and not in form of stand-alone sustainable goals, which are equally ranked as the company’s general objectives. As Meffert and Kirchgeorg (1993) assume it is not useful to set sustainability objectives and general company goals equal respectively independently side-by-side to each other, because this leads most probably to goal conflicts and problems in the hierarchy of objectives (Meffert & Kirchgeorg, 1993). In critical situations, where for example the company’s going concern is in danger a sustainable goal will always be on the second position, which cannot be the intention of this concept.

Meffert and Kirchgeorg (1993) view the sustainability aspect more as a mission statement than as an independent goal. A mission statement should convey uniqueness. That is for companies the only way to maintain a clear and differentiated position in the competitive process. In other words, through this firms are able to build a Unique Marketing Position (UMP). To build this position up, Meffert and Kirchgeorg (1993) argue further that sustainability must be seen as a global formulated approach, which does not focus on the company’s uniqueness, but anchors the planned change in the overall economic process through a wide consensus. This is the main challenge for companies: Not the goal itself, but the taken path to sustainability has to be in the center of attention in order to be able to develop the unique and promising elements of the company’s individual mission statement. (Meffert & Kirchgeorg, 1993)

Additionally, it is essential that sustainable guidelines are linked to the company’s general goals or rather complement the company’s existing business strategy. In most situations, the guidelines are consistent with the strategy; in others, they may be in conflict with it. Consequently, the objectives and in some cases the business strategy must in this cases be modified. As well as goals in general also sustainable guidelines have to meet some characteristics. First of all, it is important that they are clear, concise and, wherever possible, expressed measura-
ble. Establishing measurable guidelines is essential for the management and others in order to be able to assess whether the guideline has been met or not. Moreover, they also need to be realistic, but challenging. Possible obstacles to meet the guidelines and opportunities for exceeding them should be also considered. (Azapagic, 2003)

Referring to Azapagic (2003) sustainable guidelines can be e.g.:

- To optimize social and economic contribution to society
- To protect the safety and health of employees and other stakeholders
- To maximize the efficient utilization of resources at minimum environmental impact
- To enhance the human potential and welfare of employees and communities (Azapagic, 2003, p. 312).

In this step corporate and brand goals as well as adopted sustainable guidelines build together with the results of the situation analysis the basis for the corporate brand identity. They are especially linked to the brand’s values, vision and personality (Burmann, et.al., 2003). Therefore, this step should be considered as well extensively as well-grounded in the process of Sustainable Strategic Brand Management.

2.4.3 Brand Identity of the Corporate Brand

Identity evolves from a combination of several characteristics, which must be coordinated in order to finally reflect one and the same person. Just as a person’s identity develops over the course of several years, a clear brand identity can also just develop over a longer period of time (Wiedmann, 1994). A brand identity consists of essential characteristics, which cannot be changed at all or just marginally and accidental characteristics, which can be changed (Kapferer, 1992). Modifications inside the brand identity are important in order to adapt to current customer needs and wants, but the core of the brand should never be changed. Moreover, changes in the brand’s core can lead to a lasting damage of the brand identity. (Meffert, et.al., 2005) Referring to Meffert et.al. (2005) the brand identity consist of six components: Brand origin, brand competences, brand performance, brand vision, brand values, brand personality (see Figure 7: Brand Identity).

![Brand Identity Diagram](https://example.com/brand_identity_diagram.png)

Figure 7: Brand Identity (Meffert, et.al., 2005, p. 57)
The brand origin builds the basis of brand identity and plays a major role in brand management, because a brand is firstly recognized and interpreted in the context of its origin. Aaker and Joachimsthaler (2000) state that

“knowing the roots of a person, place, or firm can help create interest in a bond. The same is true for a brand.” (Aaker & Joachimsthaler, 2000, p. 249)

The brand origin includes the regional, cultural and institutional origin of a brand and is an essential characteristic respectively a long-term identity component. Ideally, the brand origin imparts in all further activities of brand management a high extent of trust and authenticity. (Meffert, et.al., 2005) Due to the fact that this component can respectively should not be changed or modified the consideration of the sustainability aspect is not further viewed.

The brand competences are besides the brand origin an important basis of brand identity. Brand competences represent the specific organizational competences of a company, which are essential for an in-line with market conditions combination of resources. Brand competences can be interpreted as a company’s discretion to act to combine different kinds of resources in order to build a brand, which is able to fulfill market demands. Furthermore, an ongoing investment in the renewal of competences is necessary to defend knowledge leads and competitive advantages of the brand. Additionally, a continuous investment in human resources, which are crucial for the development of brand competences, is important, because finally all organizational competences base on the combination of individuals’ know-how. (Meffert, et.al., 2005) In the thought of a continuous investment in human resources an act of social sustainability like e.g. Müller-Christ (2001) claims can be already seen. Concerning the integration of sustainability it is obvious that competences play a major role in this process. Referring to Hart (1995) competences are essential for an adequate combination of resources, which is a fundamental thought of the sustainability principle. This implies inside the Sustainable Strategic Brand Management that for a successful integration of sustainability the brand competences component must be extended through specific competences for sustainability. These specific competences for sustainability include for example the handling of areas of tension like e.g. the handling of conflicts between economic goals and sustainable guidelines as well as an extended view, which is able to look beyond the present into the future in order to consider also the needs of future generations (Müller-Christ, 2001). Moreover, agreeing with Azapagic (2003) it is essential for a successful integration of sustainability to assign sustainable responsibilities in the whole company and to build sustainable teams. Through this a basis for the development of specific sustainable competences is created and the protection as well as the preservation of sustainable brand competences is secured.

The brand performance bases directly on brand competences. The principle brand performance determines in which way a brand is useful for the consumer. Therefore, the fundamental form and features of the product and service of the brand must be defined. With this it is determined which functional benefit the brand offers the consumer. (Meffert, et.al., 2005) With regard to the integration of sustainability, the component brand performance must also be extended through the aspect of sustainability. A company is only able to fulfill sustainable customer needs and wants if the brand performance implements the required sustainable components. The demand for sustainable products, like e.g. hybrid cars is steadily growing, wherefore companies must extend or modify their brand performance in order to fulfill these customer needs. Another example is the production of organic food. Organic food is among other things produced without the use of chemical fertilizer and changes the brand performance from conventional food to organic food.
Another important part of the brand identity is the *brand vision*. The brand vision determines the brand’s long-term direction of development (5-10 years) and serves for the motivation of internal target groups. Through pictorial-emotional guidelines the importance and function of the brand for the realization of long-term strategic company goals is represented. The brand vision has a coordination function and secures a to the brand goals conforming behavior. To develop motivational and identification power, the brand vision must convey a long-term feasible wishful thinking. (Kapferer, 1992) With regard to the integration of sustainability it is obvious that the brand vision must include the in step two set sustainable guidelines. Moreover, the sustainability principle itself should be seen as a part of the vision. Social, economical and ecological engagement must be a mission statement for all persons working in the company, from regular employees to top managers.

*Brand values* represent the fundamental conviction of the management and the employees. They represent in what the brand believes. Brand values include important emotional components of the brand identity as well as they express the requests of relevant target groups at an ideal brand. Focusing on few statements brand values should provide a symbolic consumer benefit. (Burmann, et.al., 2003) Brand values have a big impact on the brand’s authenticity and should be lived through the employees. Only through a consequent active living by employees, brand values can become an integral part of the brand identity and load the brand emotionally. When talking about the integration of sustainability it has to be mentioned, it is essential that the sustainability aspect is reflected in the brand values. The in step two set sustainable guidelines can also be very helpful for the formulation of brand values. An appropriate example of a brand with distinctive sustainable brand values is The Body Shop. This company has clear brand values like *against animal testing, defend human rights, support community fair trade, activate self-esteem and protect our planet,* which are consequently implemented inside the management of the brand.

Brands have human characteristics in terms of an own personality. In other words, brands have a *brand personality*. These personality attributes occur in the verbal and non-verbal communication style of a brand, which is influenced by typical representatives of the brand and the brand’s origin. (Aaker, 1997; Burmann, et.al., 2003) After the market launch the brand’s personality can also be influenced by typical users and customers of the brand. Through brand personality and brand values, the relationship between the brand and the consumer can be emotionally loaded and through this strengthened. The brand personality has a big impact on the brand’s sympathy from target groups and is therefore an important component of the brand’s identity. (Meffert, et.al., 2005) With regard to the integration of sustainability it is important to point out that a sustainable brand must implement the aspect of sustainability in its communication style character in order to get attention from the desired target group and to strengthen the relationship to this group on the right basis. Through this way the brand is able to build up a personality with characteristics of sustainability, which is fundamental for the brand’s success.

Overall, it has to be mentioned that the importance of the individual brand identity components is dependent on several factors, like for example the product category, the central brand’s benefits, the brand identity of competitors and the structure of the company’s brand portfolio (Goodyear, 1994). The six brand identity components are linked to each other in two ways. On the one hand there is a vertical connection from the bottom to the top respectively from the brand origin to the brand personality and on the other hand there is a linkage from the top respectively the brand personality to each of the other five components, which can be

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3 For further information see: http://www.thebodyshop.com/_en/_ww/values-campaigns/.
seen as a feedback canal. The deep integration of sustainability aspects in the brand identity ensures that sustainable thoughts are not superficial and only in the communication pursued, but considered from the bottom to the top of a brand identity in accordance to the claim of the whole-embracing concept of sustainability. Out of the sustainable brand identity concept, the positioning of the brand is determined. By means of the positioning it is tried to build up an advantageous competitive position as a sustainable brand in the psyche of relevant external target groups. Moreover, it is essential to know that an identity establishes over a long period of time. Therefore, a targeted influencing of a brand identity is only over a longer period of time possible. Furthermore, the complexity of effect-relationships, which also increase through the integration of sustainable aspects, a comprehensive and well developed brand management as well as the development of organizational skills in this sophisticated science field, is required. Therefore, the main task of identity-oriented brand management is the creation of an independent brand identity, which integrates successfully the principles of sustainability, through a well-coordinated, stable design and placement of all brand identity components. (Meffert, et.al., 2005)

At this point the consideration of a single brand is completed. Further steps deal with the consideration of the brand inside a complex company network. These steps include the brand architecture, brand identity of other company brands, brand evolution and brand organization.

2.4.4 Brand Architecture of a Sustainable Company

Through the determination of the brand architecture the brand portfolio is systematically structured. In the brand architecture design it is defined on which company level a brand is located, which specific roles and positions they have and how the relationship between the brands is (Aaker & Joachimsthaler, 2000). The brand architecture serves a long-term oriented plan of behavior for the brand management and is as a basis useful for the implementation of brand evolution strategies and operative brand decisions. Finally, systematic brand architecture supports the development of strong brand identities through the prevention of unnecessary complexity of the brand portfolio and through the utilization of synergy potentials. (Meffert, et.al., 2005) Referring to Aaker and Joachimsthaler (2000) there are four basic options for the design of the brand architecture regarding the vertical dimension of brand architecture: Branded house option, house of brands option, sub-branding option and endorsement branding option.

In a branded house strategy all performances of a company are managed under the corporate brand. The corporate brand replaces the independent performance of company divisions and product brands. This strategy is for example used by Nokia, IBM or McDonald’s. The contrary option of a branded house strategy is the house of brands strategy. In this strategy not the corporate brand, but exclusively the product brands or company divisions are visible for the customer. This option is often used by consumer goods manufacturer due to the fact that their products are usually differently positioned (e.g. Procter & Gamble, Unilever). The other two options are the result of a combination of product brand and corporate brand. In the sub-branding strategy the corporate brand respectively the company division brand dominates and is complemented by a specific sub-brand (e.g. Hewlett & Packard supplement printers with the brand ‘Deskjet’). In the endorsement branding option the product brand dominates and is complemented by a small piece of information about the corporate brand (e.g. Nestlé). Finally, all four basic options can be combined with each other and e.g. a multinational company with a strong position in the home market and a weak position in foreign markets can implement a house of brands architecture in the home country and a branded house architecture in foreign countries. (Meffert, et.al., 2005)
Regarding the horizontal dimension of brand architecture there are two options: The individual brand strategy and the multibrand strategy. Inside an individual brand strategy every product of a company has its own brand and in every market segment there is only one brand of the company’s brands sold. The main advantage of this strategy is the possibility to build up an own distinctive brand identity for every single brand. Customer needs and brand benefits can optimally be coordinated, whereas the need for coordination between the brands of a company is low. The disadvantage of this strategy is that the individual brand must bear all brand management costs on its own. In contrast to that, inside a multibrand strategy a company has parallel minimum two brands in the same product category and market segment. These brands differentiate e.g. through the price, product characteristics or the communication style. The main advantage of this strategy is the broad market coverage, which is able through the competition in the own house to serve brand-switchers with other own brands. The disadvantages of this strategy are the high risk of brand cannibalization and the increase of complexity costs. (Meffert, et.al., 2005)

With regard to the integration of sustainability, first of all it must be clear that the corporate brand identity meets the requirements concerning principles of sustainability as it is above described (see paragraph 2.4.3 Brand Identity of the Corporate Brand). Without this prerequisite a further consideration of the brand architecture is meaningless, because without a sustainable corporate brand, the company division brands and product brands cannot be sustainable according to the claim of this study. However, different brands of a company can integrate aspects of sustainability in different ways and to different extents, but there must be always a general fit respectively the same orientation among all brands of the company regarding sustainable principles. Too big differences between the company’s brands in fundamental issues of sustainability can weaken or destroy at least one brand, but may also debilitate several company’s brands and, if it is the worst case, the corporate brand.

Furthermore, a strong corporate brand with deeply anchored sustainability principles should be used in order to influence positively company division brands and product brands regarding the integration and presentation of sustainable aspects. A flagship-brand or so called A-brand is defined by high earnings contributions and a special market mindshare (market leadership) (e.g. the company Henkel and its flagship-brand Persil) (Keller, 2003). For example such a position predestines a brand to be a role model for other company brands regarding the integration of sustainability principles.

Preceding in the process of sustainable strategic brand management, on the basis of the brand architecture the brand identities of other company brands, company division brands as well as product brands, can be defined.

**2.4.5 Brand Identity of other Company Brands**

Basing on the brand architecture, the brand identities of other company brands are operationalized through the earlier explained six components of brand identity (see paragraph 2.4.3 Brand Identity of the Corporate Brand). Besides the corporate brand, there are company brands and product brands, which follow a certain hierarchy (see Figure 8: Brand Hierarchy).
The corporate brand is on the top-management level. Under this level hierarchically subordinated are the company brands, which are on the level of strategic business units. On the lowest hierarchical level are the product brands. This hierarchy makes it easier for companies to differentiate regarding brand associations, like organizational (corporate brand) and product-related (product brands) brand associations (Aaker, 2004). Moreover, on the basis of the brand identity, decisions regarding the brand’s positioning have to be made. The objectives of positioning are to build up a dominating position in the psyche of consumers and to create differentiation ability towards competitive products. Within the framework of defining the brand positioning, a balance between reactive and active positioning must be ensured. Reactive positioning is orientated towards the articulated wishes and needs of consumers, whereas active positioning makes consumers aware of so far unknown product characteristics, which can be important for his/her buying decision. Additionally, the development of enthusiasm and loyalty for a brand can be reached by focusing on a few brand competences. Finally, for the guarantee of a strong brand identity, the main objective must be a fit between the ideal image of the consumer and the brand identity. (Meffert, et.al., 2005)

Regarding the integration of sustainability the company must be aware of the fact that it is essential to implement inside all brand identities general sustainable aspects form the corporate brand identity. Moreover, going from the top to the bottom inside the brand hierarchy sustainable principles must be defined as well more clearly as also more specific and related to demands of the target group in order to ensure a consumer-suitable address.

Whereas these decisions refer to a certain point of time, also decisions relating the future must be made. Therefore, the following step considers brand evolution strategies, which relate to the future in a dynamic perspective.

### 2.4.6 Brand Evolution towards Sustainability

Decisions concerning the brand architecture are point of time obtained and comprise the brand portfolio, while decisions of brand evolution strategies are extended with a future-oriented and dynamic perspective. This extension is necessary for the brand management. Changing market and company conditions lead to a need of further development of the brand management. Further, decisions in the context of brand evolution strategies comprise singular analyses of each single brand of a portfolio. However, these brand specific decisions affect the organization of the brand architecture. Brand evolution strategies can be different in two main options of act, the brand consolidation strategy and the brand expansion strategy. (Meffert, et.al., 2005)
In the brand consolidation strategy company’s resources are removed or disinvested from individual brands to provide these resources for other intended use. This strategy is useful if bounded resources in one brand can be more efficient used in other activities to improve the competitive position of the company. Options of act are immediate elimination, graduated withdrawal and focusing. Immediate elimination of a brand is taking the brand form the market as soon as possible. The focusing strategy explains a significant reducing of the product range. The graduated withdrawal describes a step-by-step withdrawal of a brand from the submarkets towards a complete withdrawal from the previously proceeded market. This withdrawal needs in most cases a period of several month or years. Strategies of a graduated withdrawal are the skimming strategy and the brand migration strategy. The skimming strategy includes saving cost measures like a reduction of the communication budget and sales supporting measures, as well as a reduction of services and product quality. A synonym for the migration strategy is the substation strategy. In this strategy the available offer program of the brand remains unchanged, but a new brand label replaces the brand label. The migration strategy can be implemented successively or ad-hoc. (Meffert, et.al., 2005).

The brand expansion strategy is useful for strong brands, which do not exploit their return and sales potential. Strategies of the brand expansion are geographical expansion or brand extension through line extension or category extension. Line extension describes the extension of a brand in the same or relative product category, while the category extension describes an extension into a new, not relative product category. This three brand expansion strategies can be implemented through licensing or a franchise strategy, co-branding or an autarky strategy. Co-branding is the communicated cooperation of two or more brands to develop a new bundle of benefit. (Meffert, et.al., 2005)

In the context of Sustainable Strategic Brand Management choices concerning the brand evolution strategy are very important. The singular analysis of each brand with regard to their possibilities of the integration of sustainability is essential for the whole orientation towards a sustainable company. As already mentioned in the brand architecture each brand needs to have a specific level of integration of sustainability ideas to strengthening the brand portfolio and especially the corporate brand. For those brands, which have no potential for an integration of sustainability issues a consolidation strategy has to be chosen. If these brands have also a low cash flow and a negative influence on the company’s or other brands’ image the immediate elimination of these brands should be taken into consideration (Meffert, et.al., 2005).

However, if a brand has no significant potential for the integration of sustainable issues, but the brand already has a loyal consumer base, referring to Meffert et.al. (2005), then one of the graduated withdrawal strategies should be chosen. Brands with a wide product range, line extensions and category extensions, should be analyzed concerning the fit between the different performances of the extension products and brand’s identity. Those extension products with a low fit should be eliminated. For companies, which have not enough resources or competences, strategies like licensing respectively franchising or co-branding provide interesting opportunities (Meffert, et.al., 2005). Especially co-branding provides the opportunity for an exchange of resources, competences and know-how concerning sustainability, both to get resources, competences and know-how from another company or to motivate another company to more sustainability. It may also be envisage that a company cooperates with a non-governmental organization to develop a new brand, which focuses on sustainability issues.
Decisions concerning the brand evolution have influence on the brand portfolio and on the brand architecture. A successful implementation of all these strategies depends on the brand organization and internal brand management, which are the last step of Sustainable Strategic Brand Management.

2.4.7 Brand Organization and Internal Brand Management in a Sustainable Company

As the last step in the process of Sustainable Strategic Brand Management the brand organization and internal brand management are considered, which determine the organizational anchoring of the brand in the company. Therefore, structures and processes as well as information and incentive systems must be defined and established. All business processes must be well structured in order to ensure an efficient teamwork of all employees, which in turn supports the brand identity. In this context, the creation of brand commitment and brand citizenship behavior (voluntary commitment for the brand, inspiring other employees and customers for the brand) plays a major role, wherefore the internal brand management takes responsibility. The personal contact of customers with people, which are representing the brand (employees, salesmen, customer services), can have a big influence on the relationship between the brand and the customer. (Meffert, et.al., 2005)

Especially the service orientation of employees can have an impact on the brand identity perceived by the customer, because special efforts are shown, individual needs of the customer are noticed and real appreciation of the customer is demonstrated (Schmitt & Pan, 1994). Therefore, the brand organization must take care that all employees internalize the brand identity in order to support and strengthen the brand.

Due to the striven uniqueness of the brand the organizational units of the brand should be managed as independently as possible. At the same time it is valid to exhaust synergy potentials between the different company and brand divisions. When realizing synergy potentials of several brands it is important to take care that there are no negative influences on the external perception of the brands. In this context, especially in the design and management of organizational structures of one brand inside a large brand portfolio difficulties usually occur, because it gets more difficult to generate and manifest a specific brand behavior the more brands a company owns. Therefore, a clearly structured brand architecture is necessary in order to ensure an appropriate implementation of brand organization. (Meffert, et.al., 2005)

With regard to the integration of sustainability especially the creation and establishment of brand commitment and brand citizenship behavior regarding sustainability aspects is very important. For a sustainable company it is essential that their employees believe in and live sustainable values and behave conform to the brand. A brand conform behavior has a big impact on the strength of a brand, because through the employees the brand lives. Referring to Azapagic (2003) a sustainable company can e.g. develop workshops, which inform the employees about the need for sustainability and teach them in sustainable conform behavior, or support their employees to control and reduce their own CO₂ consumption at home in order to create sustainable brand citizenship behavior. Azapagic (2003) states that

“companies which can demonstrate their commitment to people and their values will raise staff morale and attract and retain the best talent who are more likely to help secure the long-term viability of the business” (Azapagic, 2003, p. 313).
The company’s commitment can be demonstrated e.g. through fair remuneration packages, including pension and health benefits, equal opportunities and non-discrimination, good health and safety conditions, capacity building through training and transferable skills development and succession planning as well as clear career progression (Azapagic, 2003). Furthermore, the company can initiate general tools used by many companies for the improvement of the level of sustainability. These tools are e.g. mass and energy balances for the identification of material and energy inefficiencies in the system, system optimization approaches for the identification of options for optimal improvements, environmental audits and environmental management systems (e.g. ISO 14000\(^5\) and EMAS\(^6\)), or environmental, health and safety risk assessments. (Azapagic, 2003)

This step closes the process of Sustainable Strategic Brand Management. To get a comprehensive understanding of this process and the context, in which this process must be seen, the following paragraph finishes this chapter with considering the process of Sustainable Strategic Brand Management in the context of Sustainable Brand Management.

### 2.4.8 Sustainable Strategic Brand Management in the Context of Sustainable Brand Management

As already mentioned, the Sustainable Strategic Brand Management process is one of three processes inside the Sustainable Brand Management model. The SSBM process is followed by the process of Sustainable Operative Brand Management (SOBM) and the process of Brand Controlling (BC). Moreover, the process does not end with the BC, but must be seen as an ongoing process in order to be able to fulfill and react on changes regarding customer needs and wants. In the process of SOBM the strategic guidelines are implemented in concrete activities through the design of sustainable brand management instruments. These instruments are sustainable brand performance, sustainable brand pricing, sustainable brand communication and sustainable brand distribution.

Sustainable brand performance includes the development of a brand/product or service under consideration of sustainability criteria. This means that through the whole product’s life circle, standards of social and environmental compatibility must be respected. The product’s life cycle includes all phases of value creation (e.g. raw materials procurement, production and service), consumption, utilization and destruction (e.g. waste management). For the development and design of sustainable products and services all consequences of production and consumption processes on the nature (e.g. resource depletion and environmental pollution), on humans (e.g. health, psychic and physic development) and on the social community (e.g. family structures) have to be identified and evaluated. (Balderjahn, 2003)

Sustainable brand pricing includes all decisions regarding the setting of prices and conditions under consideration of sustainability criteria. This issue has caused discussion. Several authors claim that sustainable policies can reduce costs, because companies can shape future regulations and reap first-mover advantages. (Balderjahn, 2003) In contrast to that, other authors believe that sustainable policies are expensive and as a result, companies have to charge premium prices for sustainable products (Prakash, 2002). Moreover, Prakash (2002) states that if sustainable products were cheaper than other products, their premium pricing would be less of an issue for consumers and that sustainable marketing allows companies to compensate and internalize the reputational benefits for their environmental management or the environmental attributes of their products.

\(^5\) For further information see: http://www.iso.org/iso/iso_14000_essentials.
\(^6\) For further information see: http://www.emas.de/.
Balderjahn (2003) points out that in order to be successful, the sustainable products either have to be within the same price range as conventional products or the higher price level needs to be justified through an outstanding sustainable product benefit. As long as sustainable products are not more expensive than conventional products with the same quality, sustainable products are highly competitive (low-cost hypothesis). The social-ecological product quality is likely to be seen as an added value, which is free of charge and concurrently soothes the conscience. However, the higher the price differences between sustainable and conventional products are, the lower influences social-ecological product quality the buying decision and the less competitive become these products. Even sustainable-oriented customers are often not willing to pay a higher price for sustainable products. Therefore, Balderjahn (2003) suggests the implementation of sustainable-oriented price differentiation (e.g. differentiation through environmental and social consciousness), pricing incentives and mixed calculations beneficiary for sustainable products. (Balderjahn, 2003)

Sustainable brand communication includes the use of all communication instruments for a target group oriented presentation of the firm’s efforts and success regarding its sustainability activities. This comprises for example product’s relabeling that contains more environmental-related information or the repositioning of products as environmental-friendly, which firstly offers an opportunity to gain early market recognition and support of the conscious consumers and secondly provides higher visibility in the already cluttered advertising media. The reorientation of promotion activities is also required in selling approaches and sales incentive programs. Sustainable brand communication has to be consistent to the market, public relations and the employees (internal communication). This can be in form of mass communication, like e.g. ecological advertisement, or individual communication. The main objective of sustainable promotion activities is to build up trust. The social and ecological responsibility inside the company and the social ecological product quality is a question of trust for the customer. Therefore, building up trust is essential in order to strengthen the firm’s reputation and image and at the same time decrease buying risks or barriers for the customer. Sustainable communication activities are for example internal sustainable communication (environmental guidelines, staff bulletins), product advertisement (advertisement with arguments regarding the environment’s protection, use of eco-labels), sustainable sponsoring (sponsoring of social projects) and sustainable oriented public relations. Especially the use of eco-labels is an important communication tool, as they conduce for marking products and are an easy way to differentiate sustainable products from conventional products. Eco-labels are an orientation and decision guide for the customer. (Balderjahn, 2003)

Sustainable brand distribution includes all decisions regarding the products’ distribution under consideration of sustainability criteria. This comprises the efficient movement of goods and services (logistics), as well as the implementation of sustainable standards in the choice of sales channels (Balderjahn, 2003). Sustainable distribution policies are important because of macro drivers like e.g. climate change, fossil fuel availability and prices, road capacity and congestion and energy use. Additionally, the importance of sustainable distribution becomes obvious when looking on micro and business drivers like e.g. centralized distribution, stockless supply chains, business consolidation, globalization, developments in product range and consumer expectations. Sustainable-oriented logistic concepts have the objectives of offering an environmental-friendly and safe transportation of products, an effective transportation utilization and a reduction respectively optimization of needed transportation ways. (IGD Research, 2009)
The third part of Sustainable Brand Management is the process of Brand Controlling. This process includes the provision of information and advice as well as a super-ordinated coordination function. The objective of this process is to ensure the goal-orientation of the brand management and a target-oriented preparation of decisions for the preservation and improvement of the brand management’s responsiveness. An effective brand controlling supports the strategic and operative brand management in all planning stages. For example the implementation of operative activities is accompanied by regular controls of the achievement of objectives degrees. The process of BC is on the one hand the end of the SBM model and on the other hand the point of departure for a situation analysis in the course of a new process cycle. (Meffert, et.al., 2005)

With regard to the integration of sustainability, there are several sustainability controlling instruments, which can be integrated in the process of BC. Schaltegger (2002) mentions in his work for example eco-controlling, environment-controlling, integrated controlling, sustainability-controlling and the Sustainability Balanced Score Card (SBSC). This concept is an extension of the conventional Balanced Score Card (BSC) and integrates in contrast to the conventional BSC environmental and social aspects. With the SBSC success factors for environmental and social aspects can be identified, a causal link between environmental and social aspects and the company can be established, the management of all environmental and social aspects according to the strategic relevance can be enabled, key performance indicators and activities can be developed and thus lead to an integration of environmental and social management aspects in the conventional economic orientated management. (Schaltegger, 2002)

Having reviewed relevant theories and models of sustainability and strategic brand management, considered and explained in detail each individual step of the process of Sustainable Strategic Brand Management and superficially looked at the process of Sustainable Brand Management as a whole, this chapter is completed and followed by chapter three Methodology, which presents the process followed in conducting the research study.
3 Methodology

The following paragraph illustrates the research design and the data collection used in this study in order to analyze how automobile manufacturing companies integrate sustainability in their strategic brand management and how the frame of references - Sustainable Strategic Brand Management - compares with sustainable strategic brand management in business practice.

3.1 Research Purpose

The research purpose associates three different study perspectives: exploratory, descriptive and explanatory. Exploratory studies focus on seeking new insights, asking questions and assessing phenomena in a new light (Robson, 2002). Descriptive studies’ objective is to describe an accurate profile of situations, persons or events (Robson, 2002). This means that it is necessary to have a clear picture of the phenomena, which should be analyzed and for which the data is collected (Saunders, et.al., 2009). The emphasis of an explanatory study is on studying a problem or a situation in order to explain the relationships between variables (Saunders, et.al., 2009). The research purpose of this study is a descriptive study perspective. An illustration of the use of sustainable issues in the literature concerning the brand management and different ways of the integration of sustainability in the strategic brand management process are shown.

3.2 Research Approach

The research approach includes of two elements, inductive or deductive. Bryman and Bell (2007) describe that deductive and inductive issues cannot be clear-cut and that the choice of research purpose is more a tendency towards one strategy than a hard-and-fast distinction (Bryman & Bell, 2007). The deductive approach shifts from theory towards empiricism (Bryman & Bell, 2007). The deductive content analysis normally uses previous work such as theories, mind maps, models and literature (Elo & Kyngäs, 2008). Concerning the research approach a deductive tendency is pursued in this study. In a deductive tendency approach first a literature review is developed. The selected literature pursues the aim on thoroughness, representative and pivotal set of relevant articles (Randolph, 2009). Goals of the literature review are to present an overview of existing literature in the research area, to identify central issues and findings as well as the explication of arguments. Based on this literature review and its evaluation, a frame of references is developed. This framework consists of possible elements of the strategic brand management process in which sustainability can be integrated. This framework is analyzed with the empirical findings to answer the research question and the purpose of this study, how companies integrate sustainability in their strategic brand management process.

Close connected with the choice of a deductive or inductive approach is the choice of a quantitative or qualitative data collection. The quantitative data collection emphasizes quantifications in the collection and analysis of data (Bryman & Bell, 2007). The qualitative data collection emphasizes words rather than quantifications in the collection and analysis of data (Bryman & Bell, 2007). The definition of Shank (2002, p. 5) on qualitative research states

“a form of systematic empirical inquiry into meaning.”
This means that the research is planned, ordered and published as well as the researcher tries to get a better understanding of how others make sense of their experience (Ospina, 2004). Due to the purpose of this study qualitative research strategies are the most effective strategies. Reasons for this decision are for example that the qualitative research has the skill to provide a complex textual description and offers information about an issue, which is especially important with regard to the complexity of the concept of Sustainability Strategic Brand Management. Another advantage of the qualitative research is the flexibility through the open-ended questions, which give the participant the advantage of answering the questions in their own words. This characterization is essential for this study, in order to gain more detailed answers concerning strategic decisions of the company. Furthermore, this method is used to form opinions and attitudes on the subject and all its complexity. (Auerbach, 2005)

3.3 Research Strategy

Referring to Saunders et.al. (2009) the research strategy is divided into five different strategies: experiment, survey, archival analysis, history and case study. An important decision-making requirement is that the chosen strategy gives an answer to the particular study and therefore, has the ability to answer the research question. In the decision-making process the existing knowledge and the time period of the study have to be included. (Saunders, et.al., 2009) A case study is

“a strategy for doing research which involves an empirical investigation of a particular contemporary phenomenon within its real life context using multiple sources of evidence” (Robson, 2002, p. 178).

A case study has the ability to answer research questions with “how”, “why” and “what” and is useful in order to gain a rich understanding of the context of the research and the processes being enacted (Saunders, et.al., 2009; Morris & Wood, 1991). Yin (2003) differentiates between four case study strategies: single case, multiple case, holistic case and embedded case. A multiple case study enables the researcher to analyze and to observe more than one situation or event (Yin, 2003). The analysis of more than one situation or event and their comparison to each other can generate an analytical generalization of the thesis’ findings. Yin (2003) describes that

“case studies […] are generalizable to theoretical propositions and not to populations or universes. In this sense, the case study […] does not represent a ‘sample’, and in doing a case study, your goal will be to generalize theories (analytical generalization) and not to enumerate frequencies (statistical generalization)” (Yin, 2003, p. 10).

The content of this study is sustainability in the context of strategic brand management with focus on the automobile industry with the closed-connected research question How do automobile manufacturing companies integrate sustainability in their strategic brand management process? To achieve this and answer the research question three automobile companies are analyzed and compared concerning their integration of sustainability aspects in their strategic brand management. Based on the aim and the research question of this study, as well as the claim of an analytical generalization of the thesis’ findings a multiple case study is the most suitable strategy.
3.4 Case Selection

With the choice of a qualitative approach the focus is set on a deep analysis of a small sample. Based on the purpose of this paper three companies participate in an intensive study of their strategic decisions and strategic structure concerning the integration of sustainability into their strategic brand management process. These companies come from the automobile industry. A reason for this focus is the pioneering position of many automobile companies concerning the way to more sustainability. This confirms with the requirement on this research that the companies already integrate sustainability issues in their strategic brand management or that the companies are interested in an integration of sustainability principles. A further essential base of decision-making is that the chosen companies have a brand portfolio, consisting of two or more brands, in order to meet all the parts of the concept of Sustainable Strategic Brand Management. Therefore, a questionnaire was sent to several large automobile manufacturing companies, which meet these requirements. The companies Daimler AG, Volvo Group and Volkswagen AG agreed to participate in this study and answered the questionnaire. In order to receive appropriate information managers of the marketing department, brand management or sustainability department were asked to answer the questionnaire.

3.5 Collection of Data

According to Yin (2003) six possible sources of evidence for a case study exist: documents, archival records, interview, direct observation, participant-observation, and physical artifacts. However, case studies do not imply the use of a particular type of evidence. Gillham (2000) even sees the use of multiple sources (qualitative as well as quantitative evidence) as an important character of case study research. In the next two paragraphs the collection of primary data and secondary data of this study is described.

3.5.1 Primary Data

There are various ways to collect primary data. Saunders et.al. (2009) for example describe survey, observation and interviews for the collection of primary data. Bryman and Bell (2007) also describe focus groups, language-based approaches, the collection and qualitative analysis of texts and documents as research methods for a qualitative data collection. In this study a combination of different data collection techniques is used as the most effective way of collecting data to meet the research objectives and to answer the research question. Therefore, a questionnaire of seven subject areas, which are connected with the parts of the frame of references, was sent to the chosen companies. The questionnaire consists of ten closed questions and six open questions (see Appendix). The closed questions consist of three different types. First, statement questions with a rating scale (Taylor-Powell, 1998) about company’s adjustment and opinion concerning sustainability and brand management as well as concerning the integration of sustainability in company’s brand architecture and brand evolution are asked. The second type of closed questions is a two-option response (Taylor-Powell, 1998). The two options are mostly “yes” or “no”. This type of question is used for example to check if the company considers sustainability aspects in their situation analysis and in their corporate and brand goals. The third type is a closed question with multiple-choice answers. According to Taylor-Powell (1998), this type of question is a fast and easy way to obtain information and to save space. Each multiple-choice question is added with the opportunity for the respondent to enter own answers. This is important to ensure that no important answer choices will be left out (Taylor-Powell, 1998). The reason for the use of closed questions is to ensure a quick and easy reply of the questionnaire for the company in order to increase the response rate. However, the use of open questions is necessary to get a deep insight of how the companies specif-
ically integrate sustainability in their strategic brand management. Open questions are used in terms of questions regarding the brand identity as well as the brand organization and internal brand management.

### 3.5.2 Secondary Data

Furthermore, a secondary data collection was used. Secondary data is defined as

“data which already exists, such as books, documents and films” (Hussey & Hussey, 1997, p. 149f).

The advantage of secondary data is the amount of diversified data available, which would have been very time consuming, if they had to be collected by primary research methods. Although existing data needs to be studied carefully in order to get the correct information from it, it is suitable for the current research (Saunders, Lewis & Thornhill, 2007). The research and data collection for the literature review have been conducted through electronic journals, internet research databases and scientific articles. Databases such as Google Scholar and search.ebscohost were used and included the following search words: Sustainability, sustainable development, sustainability in strategic management, concepts of sustainable strategic management, brands, brand management, strategic brand management, concepts of strategic brand management and sustainability in marketing.

In addition to the questionnaire, companies’ reports, documents and information on their homepages have been collected for the empirical data, to gain more information. With this combination of a questionnaire and the data collection, the claim for a generalization of the findings is approximately satisfied and through the use of open questions as well as the use of closed questions with focus an on company’s accordance with special statements, the focus on qualitative data collection is satisfied.

### 3.6 Data Analysis

A successful analysis of the data of a case study depends on a careful description of the data and the development of categories in which to place behaviors or processes (Hartley, 2004). Yin (2003) argues that data analysis comprises of

“examining, categorizing, tabulating, testing, or otherwise recombining both quantitative and qualitative evidence to address the initial propositions of a study” (Yin, 2003, p. 109).

Based on this it is essential to structure the collected data in a useful way. Due to this fact the questionnaire and therefore the primary data as well as secondary data of companies’ report, documents, etc. are arranged in the same structure, like the parts of the frame of references – Sustainable Strategic Brand Management. The reduced and structured data for each company is presented in the empirical data chapter, starting with the data of the company Daimler AG, followed by the data of the Volvo Group and lastly the data of the Volkswagen AG. This data is used in the analysis chapter in which first the companies are analyzed separately concerning the different parts of the frame of reference, using a within case analysis (Yin, 2003). Afterwards, the three cases are compared with each other regarding their integration of sustainability through a cross-case analysis. A cross-case analysis is useful to illustrate differences and similarities across the three cases in order to analyze the integration of sustainability in the strategic brand management and to control the suitability of the concept of Sustainable Strategic Brand Management.
3.7 Quality Standards

Important criteria in establishing and assessing the quality of research for the quantitative research are reliability and validity. However, there are some debates about their relevance for the qualitative research. Some qualitative researchers adapt reliability and validity for qualitative research, other researchers develop alternative criteria. (Bryman & Bell, 2007)

Reliability

The adapted reliability includes external and internal reliability. The external reliability regards the degree to which a study can be replicated. The internal reliability describes, for more than one observer that the members of the research team agree about what they see and hear. (Bryman & Bell, 2007) To ensure a great external reliability of this study, experienced companies of the automobile industry were chosen to represent the industry. Based on this an appropriate level of replication is assured. Furthermore, official sources of information were used in order to ensure the stability reliability.

Validity

Validity is also divided into internal and external validity. Internal validity focuses on the intention of the study and the fit between researchers’ observations and the developed theoretical ideas. Internal validity can be secured with an accurately and well-formulated objective, which reflects the exact intention of the study. The external validity concerns the degree to which findings can be generalized across social settings. External validity represents a problem for qualitative research because of the tendency to use small samples or case studies. (Bryman & Bell, 2007) The lack of attention towards sustainability in the context of strategic brand management may cause problems in developing a faultless model and a high degree of internal validity. For this reason the model of Sustainable Strategic Brand Management should be proved twice. First, the framework is used to analyze a company’s strategy, and second, a company’s strategy and behavior is applied to control the suitability of the concept. To meet this demand it is very important to have access to the relevant information. For this, the respondents must be able and willing to provide the required information. To meet the requirement for a high external validity a multiple case study was chosen. However, the external validity is limited through the focus on one industry and a small sampling of selected companies. Furthermore, it must be considered that the questionnaire was sent and answered in German and the answers were translated into English by the researchers, which can induce sense contortions.
4 Empirical Data

4.1 Daimler AG - Company Profile and Empirical Findings

Company Profile

Daimler AG is one of the most successful automobile companies in the world. With the business areas Mercedes-Benz Cars, Daimler Trucks, Mercedes-Benz Vans, Daimler Buses and Daimler Financial Services, the Daimler AG belongs to the biggest providers of premium passenger cars and is the biggest truck and utility vehicle manufacturer worldwide. Moreover, Daimler Financial Services provides financing, leasing, fleet management, insurance and innovative mobility services. The Daimler AG sells its vehicles and services in almost all countries of the world and has production plans on five continents. Besides Mercedes-Benz the present brand portfolio consists as well of the brands smart, Maybach, Freightliner, Western Star, BharatBenz, Fuso, Setra, Orion and Thomas Built Buses. (Daimler AG, 2012a) The Daimler AG is owned by European, U.S. and other international investors with more than one billion circulating shares. Daimler AG’s headquarters is located in Stuttgart, Germany and since 2006 Dr. Dieter Zetsche is Daimler AG’s Chairman of the Board of Management, which consists of seven members (including the Chairman and the heads of the operating and functional divisions). Moreover, there is the Supervisory Board, which consists of ten shareholders’ representatives and ten employees’ representatives, which appoint the Board of Management and approve important corporate decisions. The Daimler AG is listed on the stock exchanges in Frankfurt and Stuttgart. In 2011, the Daimler AG sold about two million vehicles (thereof 1.5 million passenger cars and 0.5 million trucks), which were produced by more than 271,000 employees. All in all, the Daimler AG made 106.5 billion Euro total revenues and the EBIT amounted 8.8 billion Euro in 2011. (Daimler AG, 2012a)

Gottlieb Daimler and Carl Benz, the founders of the Daimler AG, made in 1886 history with the invention of the automobile. Today, as a pioneer in manufacturing vehicles, the Daimler AG is still shaping the future of mobility. The company relies thereby on innovative and green technologies as well as on safe and high-quality vehicles. Since years, the Daimler AG consequently invests in the development of alternative solutions with the aim to achieve emission-free driving in the long term. Besides hybrid vehicles, the Daimler AG offers the widest range of local emission-free electric vehicles with battery and fuel cell, due to the fact that the Daimler AG wants to fulfill its claim and obligations of taking responsibility of environment and society. (Daimler AG, 2012a) No other automaker can look on a longer tradition than the Daimler AG and their “success is due in large part to the fact that they have never focused on the short term, but always set the sights on the big picture” (Daimler AG, 2011, p. 5) Daimler AG has always been a company oriented towards the long term. Therefore, in 2012, the Daimler AG officially incorporated the concept of sustainability in their system of strategic targets in order to emphasize once more the fact that economic, environmental and social responsibility go hand in hand. Sustainability is the basic principle that governs Daimler AG’s business operations, wherefore they are tackling a host of issues from this perspective. (Daimler AG, 2011) With the incorporation of the concept of sustainability the Daimler AG developed a sustainability program for 2010 to 2020, which should indicate the key target horizons of their sustainability efforts in the years ahead, while at the same time showing enough flexibility so that they can react at short notice to new challenges (Daimler AG, 2011). In the 2011 published Report - Facts on Sustainability - the Daimler AG presents comprehensive information about their sustainability program. Besides the questionnaire this report is taken as empirical findings and as a basis for the following analysis regarding the integration of sustainability in their strategic brand management.
Empirical Findings

Situation Analysis

The Daimler AG considers sustainable aspects in the situation analysis. Regarding sustainability, the Daimler AG analyzes customer needs concerning sustainability (green trends), strengths/weaknesses concerning competitors’ sustainable performance, the legal environment (emission laws, cycle and waste management laws, etc.), the social environment (culture, ethic, values) and the ecological environment (substitutable resources, use of resources). Despite that, the Daimler AG also analyzes the actual positioning regarding sustainability, product stewardship (needed resources and energy, product waste and degradability, possibilities of recycling), side effects (caused in products and processes), human resources (opportunities for employees’ regeneration) and the identification of threats and opportunities concerning sustainability. Inside the situation analysis, the Daimler AG uses several analyzing tools. These are Eco-Benchmarking, Social-Benchmarking, Community Advisor Panel, Eco-Efficiency-Analysis, Analysis of Sustainable Design, Product-Line-Matrix Analysis, Life Cycle Assessment, Cross-Impact-Analysis and the Multiple Scenario Analysis.

Corporate Goals/Brand Goals including Sustainable Guidelines

The Daimler AG considers sustainable issues in the setting of corporate and brand goals and views sustainability as a guideline for company and brand goals. One of their important guidelines is the Global Compact of the United Nations, to which the Daimler AG is particularly committed as a founding member (Daimler AG, 2011). Moreover, as a member of the LEAD group, they are actively pursuing the Compact’s goals in order to fulfill the promise to consistently implement the principle of sustainability (Daimler AG, 2011). The Global Compact Principles are:

- Businesses should support and respect the protection of internationally proclaimed human rights within their sphere of influence
- Businesses should make sure they are not complicit in human rights abuses
- Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining
- Businesses should uphold the elimination of all forms of forced/compulsory labor
- Businesses should uphold the effective abolition of child labor
- Businesses should uphold the elimination of discrimination in respect of employment and occupation
- Businesses should support a precautionary approach to environmental challenges
- Businesses should undertake initiatives to promote environmental responsibility
- Businesses should encourage the development and diffusion of environmentally friendly technologies
- Businesses should work against corruption in all its forms, including extortion and bribery (Daimler AG, 2011, p. 85).

Daimler AG’s overriding corporate goal is to achieve sustainable profitable growth and thus to increase the value of the Daimler AG (Daimler AG, 2011). The Daimler AG intends to be among the world’s leading automotive companies and “the Daimler target system consists of six strategic dimensions (see Figure 9: Daimler AG’s Target System).
1. Excellent products offering superior customer experience from the basis for our success.
2. Leading brands.
3. Innovation and technology leadership.
4. Global presence and networking.
5. Operational excellence and sustainability.
6. High performing, inspired employees.” (Daimler AG, 2011, p. 18)

Furthermore, the Daimler AG has formulated several concrete targets inside their sustainability management department. These targets are e.g. “Sustainability strategy: Strategy process. Formulation of the Group-wide Daimler AG sustainability strategy” and “Sustainability awareness: Communication. Strengthening employees’ awareness of, and knowledge about, the Group’s sustainability targets and activities” (Daimler AG, 2011, p. 28).

**Brand Identity of the Corporate Brand**

Daimler AG’s brand identity consists of the five components origin, competences, performance, vision and values.

Origin: The origin of the Daimler AG has been in 1886 when the two Germans Gottlieb Daimler and Carl Benz invented the car and founded the company (Daimler AG, 2012a).

Competences: Daimler AG’s competences are the production of “exciting premium automobiles that set standards in the areas of design, safety comfort, perceived value, reliability and environmental compatibility; commercial vehicles that are the best in their respective competitive environment; outstanding service package related to those products; and new mobility solutions, oriented towards the needs of customers” (Daimler AG, 2011, p. 18).
Performance: Daimler AG’s performance is the production of an “unparalleled range of premium automobiles, trucks, vans and buses. The product portfolio is completed by a range of tailored automotive services” (Daimler AG, 2011, p. 18).

Vision: Daimler AG’s vision is “we invented the automobile and we are passionately shaping its future. As pioneers of automobile construction, we see it as our challenge and obligation to continue this proud tradition and make future mobility safe and sustainable – with groundbreaking technologies and high-quality products” (Daimler AG, 2012b).

Values: “passion, respect, integrity and discipline” (Daimler AG, 2012c); “responsibility”: “We invented the automobile and we’ve been shaping the industry with our groundbreaking innovations for 125 years now. Today our task is to use this power of innovation to tackle the challenges to be faced on the road to sustainable mobility. We are investing in the entire spectrum of environmentally friendly drive systems and striving to be the innovation leader in green technologies. In addition, the safety of vehicle occupants and road users is an important focal point of our development activities. Our claim to leadership in these fields is embodied especially by our brand value of responsibility. We aim to apply this value in all areas that concern our customer relations: in our lineup of products, which we are continually improving in terms of environmental compatibility and safety; in our efforts to provide outstanding advice and transparent, clearly understandable product information; and in our responsible handling of customer data.” (Daimler AG, 2011, p. 53)

Brand Architecture of a Sustainable Company/Brand Evolution towards Sustainability

The Daimler AG follows a branded house of brands (house of brands with endorsements) strategy for its brand architecture model (see Figure 10: Daimler AG’s Brand Architecture). Strong product brands in different positions (Mercedes-Benz, Smart, Setra, Freightliner, etc.) are the main focus in this form of brand management. They are connected to the Daimler AG’s corporate brand by means of the endorsement “A Daimler Brand”. The following endorsements are defined by the Daimler AG: “A Daimler Brand” for brands where Daimler AG is the brand owner and “A Daimler Group Brand” for brands where subsidiaries are the brand owners.

The product brands that use these endorsements and thus publically establish a relationship with the Daimler AG umbrella brand fulfill an important function for themselves and the umbrella brand with regard to target groups. This transfer of information takes place via the marketing communications of the product brands. Independent corporate entities (subsidiaries) are labeled with the endorsement “A Daimler Company” in communications. The strongest brand in the AG, Mercedes-Benz, plays an important role, since the world's most valuable automobile brand, is integrated in overall Group events held by the Daimler AG. Synergies can be reached due to the high recognition of the Mercedes-Benz star and brand mark. (Daimler AG, 2012d)
Concerning the brand evolution strategy the Daimler AG develops particularly ecological models in their business field Mercedes-Benz Cars. Innovations like BlueTEC, BlueEFFICIENCY and electric vehicles are used for the Mercedes-Benz brand and for the brand smart, for example the smart fortwo electric drive was developed. In November 2011, the Daimler AG decided that there will be no successor for the Maybach. At least, with the start of the new S-Class, the production of Maybach vehicles should end. To offer their current Maybach-customers attractive alternatives the core brand Merced-Benz will be extended gradually with three additional models. (Daimler AG, 2012e)

“We are making green cars cooler and cool cars greener”
(Dr. Dieter Zetsche at the traditional New Year’s reception in Detroit in January 2012, Daimler AG, 2012f, p. 7).

**Brand Identity of other Company Brands**

Mercedes-Benz Cars: “The products supplied by the Mercedes-Benz Cars division range from the high-quality small cars of the smart brand to the premium automobiles of the Mercedes-Benz brand and to the Maybach luxury sedans” (Daimler AG, 2011, p. 22).

- Mercedes-Benz: “The star symbolizes the perfect union of fascination and responsibility in a way that is unequaled by any other trademark in the automotive world. True to Gottlieb Daimler’s maxim “The best or nothing,” Mercedes-Benz is using its great innovative power to continually define new milestones in terms of vehicle drive systems, safety, comfort, and design.” Sportiness, comfort, and sustainability are the main components of existing and new models of the Mercedes-Benz brand. (Daimler AG, 2012f, p. 7).
smart: The smart brand follows the slogan “open your mind”. “Like no other brand, smart stands for innovation, functionality, and a zest for life” (Daimler AG, 2012f, p. 12). In the context of environmental awareness smart focuses on new thinking means further thinking. “At smart, lots of people put time and energy into thinking about how mobility can be improved and how the concept of the “car” can be reinterpreted to make it more ecological, more economical and more individual” (smart, 2012).

Maybach: “For more than ten years, Maybach has defined the standards at the very peak of the luxury sedan segment” (Daimler AG, 2012f, p. 14). “Only create the very best from the very best; an automobile, which meets every wish and is characterized by the most distinguished elegance and power” this describes the brand’s aims in 1930, which have remained unchanged until today (Daimler AG, 2012f, p. 14).

Daimler Trucks: “As the biggest globally active manufacturer of trucks above 6 tons gross vehicle weight, Daimler Trucks develops and produces vehicles in a global network under the brands Mercedes-Benz, Freightliner, Western Star and Fuso” (Daimler AG, 2011, p. 22).

Mercedes-Benz: “The Mercedes-Benz brand is a synonym for first-class products and service quality, cost-effectiveness, reliability, and sustainability, as summed up by the slogan ‘Trucks you can trust’” (Daimler AG, 2012g, p. 10).

Freightliner: “The Freightliner truck brand, the main pillar of the Daimler Trucks North American business unit [...] These vehicles cover a broad range of application areas in the commercial vehicles segment. In line with the “Run Smart” slogan, the company puts its faith in innovation, technology, and customer-focused activities” (Daimler AG, 2012g, p. 10).

Western Star: “The Western Star brand offers premium-class heavy-duty trucks, primarily for use by owner-operators or small fleets. [...] With their striking exteriors and ideal suitability for off-road applications, the vehicles are without a doubt ‘serious trucks for serious truckers’” (Daimler AG, 2012g, p. 10).

Fuso: “The Fuso brand has made a name for itself worldwide as a quality-conscious manufacture. [...] The vehicles developed and produced by Fuso are not only high quality, but they are also cost-effective and tailored to the requirements of their application areas” (Daimler AG, 2012g, p. 10).

Mercedes-Benz Vans: “The division’s product range comprises the Sprinter, Vito/Viano and Vario series in weight classes from 1.9 to 7.5 tons” (Daimler AG, 2011, p. 23).

Daimler Buses: “The Daimler Buses division with its brands Mercedes-Benz, Setra and Orion is the world’s leading manufacturer of buses and coaches above 8 tons. The product range supplied by Daimler Buses comprises city and intercity buses, coaches and chassis.” (Daimler AG, 2011, p. 23)

Daimler Financial Services: “The Daimler Financial Services division supports the sales of the Daimler AG’s automotive brands in nearly 40 countries. Its product portfolio primarily comprises tailored financing and leasing packages for customers and dealers, but it also provides services such as insurance, fleet management, investment products and credit cards.” (Daimler AG, 2011, p. 23)
Daimler AG’s corporate sustainability management body is the Sustainability Board, which was established in 2008 by a Board of Management resolution. “This body effectively combines all management processes relevant to sustainability. The board, which is directly responsible to the CEO, coordinates key sustainability initiatives throughout the Group and supports the operating units with their implementation. The board is supported by the Sustainability Office, which ensures that all relevant corporate departments, established bodies, and key decision-makers from all divisions are involved in sustainability management activities. The Sustainability Board analyzes and evaluates Daimler AG’s sustainability activities, prepares decision memorandums on behalf of Daimler CEO Dr. Dieter Zetsche, and supports the Board of Management by working with the Sustainability Office to provide second opinions.” (Daimler AG, 2011, p. 29)

Furthermore, the Daimler AG is certificated by the international environmental standard ISO 14001, and the additional validation of the German locations by the EU’s Eco-Management and Audit Scheme (EMAS). “The efficacy of our system is regularly audited by internal and external experts. In order to integrate environmental protection tasks into the processes at the respective units even more closely, we are working to merge the management systems for quality, environmental protection, and occupational safety into a single system. Today more than 98 percent of our employees worldwide work at facilities whose environmental management systems have been certified.” (Daimler AG, 2011, p. 34) Moreover, the Daimler AG has created a new Board of Management position titled “Integrity and Legal”. “The tasks of the new Board of Management member will include managing the global legal and compliance organization and the related processes, as well as business ethics and the sustained anchoring of compliance and integrity throughout the group” (Daimler AG, 2011, p. 23).

Regarding the internal brand management, the Daimler AG has formulated a set of standards of professional behavior. “These serve as a binding definition of correct behaviour in everyday business operations. These standards comprise the relevant laws as well as additional internal guidelines. Every individual employee is obligated to ensure that his or her daily behaviour on the job complies with the Daimler AG’s professional standards.” (Daimler AG, 2011, p. 22) In order to ensure professional behavior of employees the Daimler AG trains and educates its workforce. “Progress with the company’s environmental protection activities is only possible if all employees contribute to the effort. This is why we organize training programs for employees and managers that focus on the practical application of environmental protection at the company and address questions concerning environmental responsibility. We also train our auditors, who monitor the environmental management systems of our plants, and provide training to supplier auditors. In addition, we offer refresher courses that allow participants to share ideas and experiences.” (Daimler AG, 2011, p. 34)

4.2 Volvo Group – Company Profile and Empirical Findings

Company Profile

The Volvo Group is one of the world’s leading manufacturers of trucks, buses, construction equipment, drive systems for marine and industrial applications and aerospace components (Volvo Group, 2012a). Within the business areas Volvo Cars, Volvo Trucks, Volvo Buses Volvo Construction Equipment, Volvo Penta, Volvo Aero and Volvo Financial Service the Volvo Group hires about 100,000 employees in 20 production facilities all over the world (Volvo, Group 2012a, Volvo Group 2012b).
The Volvo Group sells their products and services in more than 190 markets under their brands Volvo, Renault, UD Trucks, Mack and Eicher, Volvo Penta, Volvo Aero, SDLG, Prevost and Nova Bus (Volvo Group, 2012c). Product sales are handled through both, wholly owned and independent dealers (Volvo Group, 2012a). The headquarter is located in Gothenburg, Sweden. In 1927, the first Volvo car was produced in the factory in Gothenburg. “From the very start, the company’s two owners, Assar Gabrielsson and Gustaf Larson, decided to conduct vehicles that were safe and can withstand the harsh conditions posed by Sweden’s cold climate and the poor road conditions of that time” (Volvo Group, 2012d).

Since the end of the 1990s, the Volvo Group has grown significantly when the realignment towards commercial vehicles began. Today, the Group is one of the largest actors in heavy trucks, construction equipment, buses and heavy diesel engines. In the past ten years, the Volvo Group acquired a lot of companies. Since 2012, the Volvo Group has a new organization, which better utilizes the global potential of the brand and products within the truck operations. (Volvo Group, 2011a) “The new Volvo Group organization aims to create an even more competitive company by: increased customer focus, strengthening the brands, clearer responsibilities and mandates, a more agile organization, speed in execution of strategies and decisions, improve efficiency” (Volvo Group, 2011a, p. 8). Olaf Persson, the Group’s CEO, is now superior to three regional organizational units of sales and marketing of all of the trucks companies and to two new central organizational units of all product development and production of trucks and engines (Volvo Group, 2011a). In 2011, the Volvo Group generated the highest net sales (SEK 310.4 billion an increase of 17%), the best operating income (SEK 26.9 billion) and the highest operating margin (8.7%) to date (Volvo Group, 2011a). The Volvo share is listed on the NASDAQ OMX Nordic stock exchange in Stockholm (Volvo Group, 2011b).

As a provider of commercial transport solutions, products and services play an important role for the Volvo Group. Volvo Group is driven by the conviction that it is possible to run a financially sustainable business, while also creating long-term value for their stakeholders. (Volvo Group, 2011b) “Taking social, economic and environmental responsibility is not only about managing risks, it also creates business opportunities and builds trust. It is an effective way to contribute to the development and welfare of society and ultimately to fulfilling our vision – to become the world leader in sustainable transport solutions” (Volvo Group, 2011b, p. 3) Achievements of the Volvo Group are for example that since the early 1990s emissions of nitrogen oxides and particulate matters from a Volvo truck have been cut by more than 90%. In 2006, the Volvo Group was the first manufacturer to present commercially viable hybrid trucks and busses, which enable highly energy efficient transports and since 2004, the Volvo Group has decreased energy consumption on own production process by 46% per produced unit. (Volvo Group, 2011b) In the 2011 published Sustainability Report the Volvo Group presents comprehensive information about their sustainability program. Besides the questionnaire this report is taken as empirical findings and as a basis for the following analysis regarding the integration of sustainability in their strategic brand management.

Empirical Findings

Situation Analysis

Stakeholder dialogue advances and develops Volvo Group’s business (Volvo Group, 2011b). “Engaging with stakeholder is one way of building trust and gaining license to operate and most important to gain deeper understanding of expectations on the Volvo Group” (Volvo Group, 2011b, p. 16). “The Volvo Group follows up on the respective companies’ and brands’
customer satisfaction position and brand image perception in relevant industries and markets. Customer Satisfaction and Brand Image Tracking is measured by established industry surveys” (Volvo Group, 2011b). Furthermore, the Board of Direction regularly evaluates the performance of the Volvo Group, and considers relevant topics such as human rights, environmental matters and corruption in its annual risk analysis (Volvo Group, 2011b, p. 21).

“The Volvo Group’s Corporate Audit Department monitors compliance with the Code of Conduct through audits and assessments. The Volvo Group has a management control system for self-evaluation of how well critical policies such as the Code of Conduct have been implemented and enforced. An annual survey is conducted to measure the level of implementation values” (Volvo Group, 2011b, p. 22). “The annual Volvo Group Attitude Survey (VGAS) measures employees’ engagement, which is critical for achieving strategic objectives and for business success. Questions on CSR, business ethics, environmental issues etc. are included and measured in the survey” (Volvo Group, 2011b, p. 23).

The Volvo Group also measures their performance by specific KPIs to monitor and follow up on the effectiveness of processes. The Volvo Group Production System (VPS) is a toolbox containing methods to increase internal efficiency and minimize losses (Volvo Group, 2011b). Volvo Group’s performance is measured by collecting environmental, human resource and financial data (Volvo Group, 2011b). “At the end of 2011, almost 99% of the employees in the industrial system worked in accordance with the quality management system ISO 9001 and in accordance with the environmental management systems ISO 14001” (Volvo Group, 2011b, p. 23).

Corporate Goals/Brand Goals including Sustainable Guidelines

The Volvo Group has a Code of Conduct as guiding principles for their behavior. The Code of Conduct bases on the Volvo Group’s stakeholders’ expectations and internationally recognized recommendations such as the United Nations’ Global Compact and the OECD Guideline for Multinational Enterprises. Themes of this Code of Conduct are for example business ethics as a guiding principle and policy documents like environmental policy, anti-corruption compliance policy, workplace safety, health and wellbeing policy. The Code of Conduct addresses issues including responsible business practices, environmental care, human rights and workplace practices. The Volvo Group prefers to work with business partners, who share their values and the managers are responsible to communicate and demonstrate the content and spirit of the Code. (Volvo Group, 2011b)

The Volvo Group wants to reach the following targets until 2020 (Volvo Group, 2011a, p. 5):

- We are among the most profitable in our industry
- We are our customers’ closest business partners
- We have captured profitable growth opportunities
- We are proven innovators of energy-efficient transport solutions
- We are a global team of high performing people

Since 2011, the Volvo Group has worked on developing a set of policies, directives and tools concerning sustainability. Referring to the Volvo Group, for large companies it is necessary to formalize expectations and own commitment in written documents to ensure a coherence approach and implementation. (Volvo Group, 2011b)
**Brand Identity of the Corporate Brand**

The Volvo Group’s brand identity consists of two components.

**Vision:** The Volvo Group’s vision is to become world leader in sustainable transport solutions by (Volvo Group, 2011b, p. 5):

- Creating value for customers in selected segments
- Pioneering products and services for the transport and infrastructure industries
- Driving quality, safety and environmental care
- Working with energy, passion and respect for the individual

**Values:** The Volvo Group views corporate cultures as a unique asset, since it is difficult for competitors to copy. The base values for the Volvo Group are “quality, safety and environmental care” (Volvo Group, 2011a, p. 5). “Quality is an expression of our goals to offer reliable products and services. In all aspects of our operations, from product development and production to delivery and customer support, the focus shall be on customers’ needs and expectations. […] Safety pertains to how our products are used in society. We have had a leading position in issues regarding safety for a long time; our goal is to maintain this position. A focus on safety is an integral part of our product development work. […] We believe that it is self-evident that our products and our operations shall have the lowest possible adverse impact on the environment. We are working for future improved energy efficiency and to reduce emissions in all aspects of our business, with particular focus on the use of our products.” (Volvo Group, 2011a, p. 5)

**Brand Architecture of a Sustainable Company/Brand Evolution towards Sustainability**

The Volvo Group has strong brands that have been established over a long period of time. The Volvo Group’s mission includes “using our combined expertise to create transport-related products and services of superior quality, safety and environmental care for demanding customers in selected segments.” (Volvo Group, 2012a) The current brands of the Volvo Group (see Figure 11: Brands of the Volvo Group) are Volvo, Renault Trucks, UD Trucks Mack, Eicher, Volvo Penta, Volvo Aero, SDLG Prevost and Nova Bus. “Each Brand in the portfolio focuses on a different industry and market segment. Several brands are available globally, while some are focused on specific regions of the world” (Volvo Group, 2011b, p. 19).

![Figure 11: Brands of the Volvo Group (Volvo Group, 2011a, p. 1)](image-url)
Concerning the brand evolution in the segment of Volvo cars technical innovations like Drive-E are developed. “Drive-E is our all-encompassing approach to sustainable driving. It is the innovative thinking behind a whole range of technologies that give you more power, more efficiency and greater driving enjoyment, while also respecting the environment. ‘Drive-E’ stands for new, efficient and powerful engines, plug-in electric hybrids, high-output batteries, Start/Stop technology, energy recovery systems and even every car we make” (Volvo Cars, 2012).

**Brand Identity of other Company Brands**

Volvo: The Volvo brand, “which has been build up over decades, enjoys a solid position worldwide. It is one of the world’s best known and respected brands within trucks, buses and construction equipment. It is associated with the Group’s core values – quality, safety and environmental care” (Volvo Group, 2011b, p. 19).

Renault Trucks: “Renault Trucks is one of the largest European manufactures of commercial vehicles, with its origin in the Renault automobile company, which was founded in 1898, and in Berliet, which was founded in 1895. To worldwide customers, Renault Trucks is known for its innovative and caring approach to efficiency and economy” (Volvo Group, 2011b, p. 19).

UD Trucks: “UD Trucks was established in 1935 and is one of the world’s leading manufacturers of trucks and buses. UD Trucks markets light, medium and heavy-duty trucks, buses and bus chassis, engines and vehicle components” (Volvo Group, 2011b, p. 19).

Mack: Mack is one of the largest manufactures of heavy-duty trucks in North America, “and focuses on commercial vehicles from the start. Today, Mack is one of the strongest heavy-duty truck brands in the North American market” (Volvo Group, 2011b, p. 19).

Eicher: “Eicher is one of the largest players in the Indian commercial vehicle market and the obvious choice in the value and mass market segments for customers with high demand on profitability, flexibility and drive effectiveness” (Volvo Group, 2011b, p. 19).

Volvo Penta: “Volvo Penta is one of the strongest and most global brand names in the engine industry. In addition to quality, safety and environment, Volvo Penta is associated with innovative and performance-oriented products. Penta has been a registered brand name for more than 100 years” (Volvo Group, 2011b, p. 19).

Volvo Aero: “Volvo Aero is a world-leading brand and develops, manufactures and services components for aircraft engines and gas turbines. Volvo Aero has been committed to long-term relationships since 1930” (Volvo Group, 2011b, p. 19).

SDLG: “SDLG is a leading brand in the Chinese construction machinery industry, especially for wheel loaders. The SDLG brand is sold primarily in China and other emerging markets” (Volvo Group, 2011b, p. 19).

Provost: Provost is a leading North American manufacturer of premium touring coaches and bus shells for high-end motorhomes and specialty conversions (Volvo Group, 2011b).

Nova Bus: Nova Bus is a leading North American provider of sustainable transit solutions, including environmental-friendly buses, high-capacity vehicles and integrated intelligent transportation systems (Volvo Group, 2011b).
Brand Organization and Internal Brand Management in a Sustainable Company

The Volvo Group describes governance as a platform for building a trusting relationship with shareholders and other Volvo Group stakeholders (Volvo Group, 2011b). “With a new governance structure in place, we will achieve a faster decision-making process a clear responsibilities throughout the organization. The Code of Conduct is our mandatory, group-wide policy for appropriate business behavior and responsibility towards our stakeholders” (Volvo Group, 2011b, p. 21). Their commitment to CSR and sustainability is reflected and implemented in policies, decisions and actions (Volvo Group, 2011b). “Members of the Volvo Group Board of Direction have good knowledge and understanding of CSR and sustainability issues. The Board of Direction regularly evaluates our performance, and considers relevant topics such as human rights, environmental matters and corruption in its annual risk analysis” (Volvo Group, 2011b, p. 21). A new CSR and sustainability committee is also a new part of the new structure and coordinates and prepares issues for the core values and public affairs council (Volvo Group, 2011b). Despite that, the Volvo Group is certificated by the international environment standard ISO 14001. “At the end of 2011, almost 99% of the employees in the industrial system worked in accordance with the quality management system ISO 9001 and in accordance with the environmental management systems ISO 14001” (Volvo Group, 2011b, p. 23).

Concerning the internal communication with their employees “the Volvo Group has formalized forums for employee dialogue and development, such as personal development plans. “We believe that open dialogue contributes to personal development as well as more committed employees” (Volvo Group, 2011b, p. 16). The Volvo Group uses several channels for internal communication like intranet, in-house magazines, team meetings, films and webcasts (Volvo Group, 2011b). Concerning the communication and demonstration of the content and spirit of the Code of Conduct, a web-based training, based on the principles of the Volvo Group’s Code of Conduct, of ethical dilemmas is available to support managers. This training should help their managers and employees to reflect their own attitudes and behavior in different situations.

4.3 Volkswagen AG – Company Profile and Empirical Findings

Company Profile

The Volkswagen AG with the headquarter in Wolfsburg, Germany is one of the world’s leading automobile manufacturers and the largest carmaker in Europe (Volkswagen AG, 2011a). Talking about a Volkswagen began in Germany in 1904, when engineers were already of the opinion that the future of the automobile industry lay in the mass production of inexpensive small cars. Nevertheless, the first people’s cars were produced on the other side of the Atlantic starting in 1908. In 1937, the “Company for the Preparation of the German Volkswagen Ltd.” was established in Berlin and in 1938 changed into “Volkswagenwerk GmbH”. Franz Xaver Reimspieß, an engine designer at Porsche KG, created the Volkswagen trademark, the letters V and W contained in a circle. The registration application was filed in 1948 and the trademark was registered with the German Patent Office in 1953. (Volkswagen AG, 2012a)

In 2011, the Volkswagen AG delivered 8.265 million vehicles to customers, corresponding to a 12.3 percent share of the world passenger car market. In Western Europe countries over one of five new cars (23.0 percent) comes from the Volkswagen AG. The AG sales revenue in 2011 was totaled 159 billion Euro with a profit after tax of 15.8 billion Euro. The Volkswagen AG is made up of ten brands from seven European countries: Volkswagen, Audi, SEAT, ŠKODA, Bentley, Bugatti, Lamborghini, Volkswagen Commercial Vehicles, Scania and
MAN. (Volkswagen AG, 2011a) “Each brand has its own character and operates as an independent entity on the market. The product spectrum extends from low-consumption small cars to luxury class vehicles. In the commercial vehicle sector, the product offering ranges from pick-ups to buses and heavy trucks” (Volkswagen AG, 2011a).

Furthermore, the Volkswagen AG is also operating in other business fields: manufacturing large-bore diesel engines for marine and stationary applications (turnkey power plants), turbochargers, turbo machinery (steam and gas turbines), compressors and chemical reactors, and also producing vehicle transmissions, special gear units for wind turbines, slide bearings and couplings as well as testing systems for the mobility sector. The Volkswagen AG produces in 94 production plants in 18 European countries and eight American, Asian and African countries. Worldwide, 501,956 employees are producing about 34,500 vehicles every day, which are sold in 153 countries all over the world. (Volkswagen AG, 2011a)

“It is the goal of the Group to offer attractive, safe and environmentally sound vehicles which are competitive on an increasingly tough market and which set world standards in their respective classes” (Volkswagen AG, 2011a).

The Volkswagen AG’s corporate culture includes superior values, social responsibility and a practical commitment to sustainability. The Volkswagen AG takes a far-sighted approach to the key issues of future aspects, such as climate change. Therefore, the Volkswagen AG pursues a broad range of research and development activities and generates the pioneering technology that the mobility of the future will demand. (Volkswagen AG, 2012b) In the 2011 published Sustainability Report the Volkswagen AG presents comprehensive information about their sustainability program. Besides the questionnaire this report is taken as empirical findings and as a basis for the following analysis regarding the integration of sustainability in their strategic brand management.

Empirical Findings

Situation Analysis

Inside the situation analysis the Volkswagen AG considers several sustainability aspects with the help of different analyzing tools. “Raw materials risk analyses help evaluate long-term strategic indicators for the materials. Factors identified and evaluated for Volkswagen include supply risk and cost relevance, leading either to concrete orders being issued to R&D for the development of alternative materials and substitutes or to recommendations being issued to Central Procurement and Treasury to help safeguard raw material supplies. [..] Consequently, raw materials risk analysis is a key tool in enabling more secure and economic supplies of raw materials to be assured for as long as possible” (Volkswagen AG, 2012c, p. 26). “The Group’s risk management system is designed to identify potential risks at any early stage so that suitable countermeasures can be taken to avert the threat of loss to the Company, and so that any risks that might jeopardize its continued existence can be ruled out” (Volkswagen AG, 2012c, p. 27). Moreover, the Volkswagen AG analyzes the environmental impact of a vehicle over its entire life cycle, including development, production and recycling, as well as the vehicle’s service life. “Not only internal but also external factors are taken into consideration, from the initial idea through raw material production to energy requirements for recycling. Volkswagen evaluates this data and, on the basis of the results, produces comprehensive Life Cycle Assessments (LCA) for vehicles, components and processes in accordance with ISO14040/44” (Volkswagen AG, 2012c, p. 58).
Another helpful tool for ensuring greater resource efficiency during the manufacturing process is the substance flow management, which “facilitates transparent matching of energy and substance flows to specific processes, and provides a basis for comparing different scenarios or technologies and identifying improvement opportunities” (Volkswagen AG, 2012c, p. 72). Furthermore, the Volkswagen AG analyzes several environmental indicators such as energy consumption, direct CO$_2$ emission, freshwater and wastewater, chemical oxygen demand, waste and expenditure on environmental protection (Volkswagen AG, 2012c).

**Corporate Goals/Brand Goals including Sustainable Guidelines**

“By 2018 the Volkswagen AG aims to be the most profitable, fascinating and sustainable automobile manufacturer in the world” (Volkswagen AG, 2012c, p. 10). The Volkswagen AG views sustainability as a guideline for corporate goals. “We take our guidance here from sustainability and responsibility – the basic principles underlying Volkswagen AG’s corporate activities” (Volkswagen AG, 2012c, p. 10). Furthermore, the Volkswagen AG is following the Global Compact Principles.

In order to reach these goals the Volkswagen AG has set itself sustainability objectives, e.g.:

- “CO$_2$ emissions by the European new vehicle fleet will be reduced by some 30 percent during the period from 2006 to 2015 – emissions will be below the threshold of 120 grams CO$_2$/km for the first time by 2015.
- A 40-percent reduction in greenhouse gas emissions due to energy supplies to the production sector by 2020 compared to 2010.
- To this end some 600 million Euro will be invested in the expansion of renewable energy from solar, wind and hydro power” (Volkswagen AG, 2012c, p. 11).

**Brand Identity of the Corporate Brand**

The Volkswagen AG’s brand identity consists of four components.

**Origin:** The origin of the Volkswagen AG was the development of a Volkswagen by Ferdinand Porsche in 1937 (Volkswagen AG, 2012a).

**Competences:** “Our activities may focus on the automobile, but the Volkswagen AG is far more than just a carmaker. A wide variety of mobility-related services round off our portfolio” (Volkswagen AG, 2011b).

**Vision:** “The driver of our progress towards becoming the most successful automaker remains our vision of being the most profitable, fascinating and sustainable automobile company in the world by 2018” (Volkswagen AG, 2012c, p. 13).

**Values:** “The Group’s values – closeness to the customer, superior performance, value creation, renewability, respect, responsibility and sustainability – are the basis for group-wide collaboration and have been incorporated into our Code of Conduct” (Volkswagen AG, 2012c, p. 15).
Brand Architecture of a Sustainable Company/Brand Evolution towards Sustainability

The brand architecture of the Volkswagen AG consists of ten brands from seven European countries. “Each brand has its own character and operates as an independent entity on the market. The product spectrum extends from low-consumption small cars to luxury class vehicles. In the commercial vehicle sector, the products offer a range from pick-ups to buses and heavy trucks.” (Volkswagen AG, 2011a) Figure 12 shows the brands of the Volkswagen AG.

Concerning the brand evolution, the Volkswagen AG claims that “every new vehicle generation will be an average of 10 to 15 percent more efficient” and that “efficiency technologies such as start-stop and recuperation systems will be standard equipment in all new models” (Volkswagen AG, 2012c, p. 11). Some Volkswagen AG’s brands use efficiency brands to give customers a clear and transparent guidance when choosing a product and to highlight their most sustainable vehicles. “At Volkswagen, the efficiency brands form part of the Think Blue philosophy, although this philosophy is not confined just to products and technologies. The Volkswagen efficiency brands comprise the label BlueMotion (in each case the most fuel-efficient Volkswagen models in their class), BlueMotion Technology (with optional add-on efficiency packages), TSI EcoFuel (natural-gas powered vehicles which emit around a quarter less CO₂ than similar petrol models) and BlueTDI (models with special emission control technologies for very low nitrogen oxide emissions). At Skoda, extra-fuel-efficient models bear the GreenLine and GreenLine Technology badges, while SEAT uses the label Ecomotive and E-Ecomotive. Audi equips its models with fuel-efficient technologies as standard” (Volkswagen AG, 2012c, p. 61). Figure 13 shows the Volkswagen AG efficiency brands.
Brand Identity of other Company Brands

The Volkswagen AG manages ten brands, which all have its own character and operate as an independent entity on the market (Volkswagen AG 2011a).

Volkswagen: Under the slogan Volkswagen. Das Auto, the Volkswagen sells 15 different models (The new up!, Fox, Polo, Golf, Beetle, Scirocco, The Eos, Jetta, Passat, Passat CC, Tiguan, Touran, Sharan, Touareg and Phaeton) in the segment of middle-priced passenger cars (Volkswagen, 2012).


SEAT: Under the Spanish brand SEAT the Volkswagen AG “presents a range of cars delivering the thrilling combination of superior engineering and pure enjoyment”, which is “dynamic, design driven, young spirited brand constantly seeking to create new levels of quality car enjoyment” (SEAT, 2012). SEAT manages six models (Mii, Ibiza, Leon, Altea, Exeo, Alhambra) (SEAT, 2012).

ŠKODA: Under the brand ŠKODA – Simply clever the Volkswagen AG sells seven different models (Citigo, Roomster, Fabia, Octavia, Yeti, Superb, Praktik) in the segment of low to middle-priced passenger cars (ŠKODA, 2012).

Bentley: Under the brand Bentley the Volkswagen AG is holding a “definitive British luxury car company, dedicated to developing and crafting the world’s most desirable high performance cars” in the luxury car segment (Bentley, 2012).

Bugatti: The Volkswagen AG’s brand Bugatti “has always been the epitome of exclusivity, luxury, elegance, style, extraordinary design, and a great passion for automobiles” (Bugatti, 2012). “Unique visions, the strong legacy of legendary sports cars, and high-precision engineering in development, construction, and manufacture distinguish this outstanding automotive brand”, which is selling cars in the high luxury vehicle segment. (Bugatti, 2012)

Lamborghini: Under the brand Lamborghini the Volkswagen AG is selling Italian luxury and super sports cars in the high luxury segment. “Automobili Lamborghini is building on a succession of dynamic and elegant super sports cars including the 350GT, Miura, Espada, Countach, Diablo, Murciélago, Reventón Coupe, Reventón Roadster, Gallardo LP 560-4 Coupé and Spyder, Gallardo LP 570-4 Superleggera and the last open version LP 570-4 Spyder Performante” (Lamborghini, 2012).

Volkswagen Commercial Vehicles: Under the brand Volkswagen Commercial Vehicles the Volkswagen AG sells transporters and commercial vehicles in seven different models ( Amarok, Caddy, California, Caravelle, Crafter, Multivan and Transporter) (Volkswagen Commercial Vehicles, 2012).

Scania: Under the brand Scania the Volkswagen AG is selling trucks, which “always have that little bit extra as standard, making them the natural choice of drivers and operators everywhere” and a range of buses and coaches for public transport operators and coach companies. Furthermore, Scania Engines, which are for industrial use, for marine vessels and for
power generation and Scania Services, which include backing up Scania trucks, buses and engines with services are managed under the brand Scania. (Scania, 2012)

MAN: Under the brand MAN - Engineering the Future - since 1758 the Volkswagen AG is selling trucks, buses, motors and components as well as complete transport solutions. This brand manages the product brands MAN Truck & Bus, MAN Service, MAN Support, MAN Finance, MAN Rental and MAN TopUsed. (MAN, 2012).

**Brand Organization and Internal Brand Management in a Sustainable Company**

The Volkswagen AG established the Board of Sustainability Management. Figure 14: Sustainable Management of the Volkswagen AG illustrates the structure of this Board.

![Figure 14: Sustainable Management of the Volkswagen AG](image)

“`The idea of the office as a guidance unit has proven itself with respect to both internal management processes and dialogue with external stakeholders. The CSR office coordinates the regular interchange between brands and regions in the Volkswagen AG. It reports to the CSR and sustainability steering group, which includes all central group business areas and the group works council. They are joined by representatives of the brands and regions. The objective of the work in the steering group is to network the internal units and improve exchange processes between the technical departments. The board of management is kept regularly informed on the subjects of sustainability and responsibility” (Volkswagen AG, 2012c, p. 14).

“Since 1995, our German sites have participated voluntarily in the EU Eco-Management and Audit Scheme (EMAS), making Volkswagen AG the first automaker to get involved in this program, while our group sites worldwide have participated in environmental certification processes in accordance with the international standard EN ISO 14001” (Volkswagen AG, 2012c, p. 56).
To achieve the ambitious targets, the Volkswagen AG explains that they need a first-class team. “The 500,000 people currently working worldwide to ensure the day-to-day success of the Volkswagen AG are 500,000 individuals with a great variety of talents, qualifications and experience. And we foster each one of them. This is a responsibility we take seriously by focusing on our employees’ health, skills and commitment” (Volkswagen AG, 2012c, p. 11). In this context the Volkswagen AG uses a vocational training system to develop a top team at Volkswagen AG and “with the aid of the Student Talent Bank, the StartUp programmes and a number of other networked measures, Volkswagen AG is making sure of its next generation of expert staff” (Volkswagen AG, 2012c, p. 11).

With regard especially to sustainability Volkswagen AG’s employees receive “training on climate-related, energy and environmental issues” (Volkswagen AG, 2012c, p. 57). Furthermore, the Volkswagen AG has established the Volkswagen brand’s Internal Environmental Award, which in 2011, was presented for the eighth time, as an important management instrument in engaging employees and motivating sustainable behavior. “The purpose of this award is to commend eco-friendly production processes, materials and products which have already proved their worth in practice. Amongst other things, the award-winning solutions in 2011 resulted in an annual reduction in emissions of volatile organic compounds at the Braunschweig site from 490 g/liter to 154 g/liter, and reductions in CO₂ emissions and freshwater consumption at the Salzgitter plant of 963 tons and 1,340 m³ respectively. At the Poznan plant in Poland meanwhile, employees developed an ingenious system for reducing hazardous waste, which also achieves cost savings of 65,000 Euro a year” (Volkswagen AG, 2012c, p. 57).
5 Analysis of Empirical Data

In this chapter, the three automobile manufacturing companies Daimler AG, Volvo Group, and Volkswagen AG are analyzed regarding their integration of sustainability in their strategic brand management. Following the structure of the introduced concept of Sustainable Strategic Brand Management in chapter two, for every company each step is analyzed individually and in comparison to the other companies.

5.1 Situation Analysis

In the analysis of the integration of sustainability aspects in the situation analysis it is examined whether the companies analyze external as well as internal aspects regarding sustainability. Besides this it is described, which tools the companies use for analyzing these aspects. Therefore, all three companies’ situation analyses are checked individually and in comparison to each other. The use and procedure of analyzing factors and tools depend on the company, the industry, the company’s structure, product/service and other variables. Therefore, when analyzing the integration of sustainability in the situation analysis, the focus is not on considering how many aspects the companies analyze regarding sustainability and the specific analyzing procedure. Indeed, the focus of this analysis is to examine whether the companies integrate sustainability in their internal and external situation analysis or not, and not to what extent and the specific procedure.

Daimler AG

Regarding sustainability the Daimler AG analyzes all aspects in their situation analysis, which are suggested in the concept of SSBM. These include external as well as internal aspects. Considering the tools used for the situation analysis it is obvious that the Daimler AG uses a comprehensive portfolio of analyzing tools, which are especially helpful regarding the consideration of sustainability principles. Except the eco-compass, which is described by Schaltegger et.al. (2002) as a very useful tool for analyzing side effects, the Daimler AG uses all in the theory part described analyzing tools, which confirms again that the Daimler AG considers sustainability aspects in their external and internal situation analysis. Due to the fact that there are several other tools for analyzing side effects, like e.g. sustainable design analysis, eco-efficient analysis, product-line-matrix and life cycle assessment (Schaltegger, et.al., 2002), it is in general not problematic that the Daimler AG does not use this specific tool. By means of a comprehensive portfolio of sustainability aspects analyzing tools as the Daimler AG use, the company is able to collect extensive information about current and future situations of the external and internal environment of the company regarding sustainability. This is essential for the construction and a successful implementation of a Sustainable Strategic Brand Management concept and at the same time the point of departure of Sustainable Brand Management (Hofmann, 2008; Burmann, et.al., 2003).

Volvo Group

Considering the Volvo Group’s situation analysis it can be figured out that besides customer satisfaction and brand image tracking, the Volvo Group analyzes human rights, environmental matters and corruption in an annual risk analysis. Furthermore, the Volvo Group monitors compliance with the Code of Conduct through audits and assessments, measures employees’ engagement, where business ethics, environmental issues etc. are included, monitors and follows up on the effectiveness of processes and established the Volvo Group Production System, which is a toolbox containing methods to increase internal efficiency and minimize losses.
Considering these facts it can be said that the Volvo Group integrates sustainability aspects in the situation analysis in external as well as in internal parts of the situation analysis. Moreover, it can be figured out that parts of the Volvo Group’s situation analysis can be found in the concept of SSBM as the Volvo Group analyzes customer needs, the legal, social and ecological environment, human resources, product stewardship and side effects. Especially for international companies like the Volvo Group, it is essential to analyze the legal, social and economic environment. Regarding the legal environment international laws and local domestic laws, additional to the legal conditions and possible changes in the legal system of the home market must be analyzed (Doole & Lowe, 2008). In the context of sustainability further important aspects of the legal situation are for example legislations considering patent laws, trademark protection, emission laws, cycle and waste management laws or natural conservation laws. In the analysis of the social environment, issues like culture as well as ethic and the value of a society must be considered. Moreover, especially the changes of cultural, ethical and value structures of the different society levels need to be analyzed in order to consider appropriately sustainability aspects (Schaltegger, et.al., 2002). In the analysis of the ecological environment it must be analyzed which substitutable resources exist and if there are opportunities to use these resources (Vries, et.al., 2003). These facts make clear how many aspects are considered in the analysis of the legal, social and ecological environment and therefore, how important they are for companies, which are interested in an integration of sustainability in their strategic brand management.

However, considering the information obtained about the Volvo Group’s situation analysis there are some aspects, which are not considered by the Volvo Group. In the external analysis these are the brand touch points and strengths/weaknesses of competitors and in the internal analysis the actual positioning/analysis of positioning regarding sustainability and the identification of threats and opportunities concerning sustainability. Disregarding the analysis of the actual positioning and the analysis of the positioning regarding the sustainable performance can create serious problems as it is also a part of the base for further strategic decisions like the setting of brand goals and the definition of the brand identity. Ignoring the analysis of the identification of company’s threats and opportunities concerning sustainability is also not recommendable, because it is important to identify and evaluate connections between current and possible future situations in order to detect needed adaptions in special business areas, divisions or product ranges. Possible opportunities and risks need to be identified and their probability of occurrence evaluated (Schaltegger, et.al., 2002).

The Volvo Group considers sustainability in external and internal aspects of their situation analysis. However, the Volvo Group disregards some aspects, which are considered by the literature as being important parts of a situation analysis and therefore, also part of the concept of SSBM. As mentioned above, the use and procedure of analyzing factors and tools depend on the company, the industry, the company’s structure, product/service and other variables, wherefore, the Volvo Group should not be evaluated on the basis of the number of analyzed aspects. Nevertheless, it can be recommended to the Volvo Group to reflect their situation analysis regarding the aspects, which they so far do not analyze, and review if an analysis of these aspects improves the results of their situation analysis, especially in view of the integration of sustainability aspects.
Several analyzed aspects regarding sustainability can be detected when considering the Volkswagen AG’s situation analysis. The Volkswagen AG carries out a raw material risk analysis, has a risk management system, analyzes the environmental impact of a vehicle over its entire life and analyzes several further environmental indicators such as energy consumption, direct CO₂ emission, freshwater, wastewater, etc., which include external as well as internal aspects of a situation analysis. For analyzing these aspects the Volkswagen AG uses the tool life cycle assessment, which is referring to Schaltegger et.al. (2002) a tool for the identification, evaluation and presentation of environmental influences of company’s products, processes and the whole performance, and the tool substance flow management. Considering these facts it can be said that the Volkswagen AG integrates sustainability aspects in their situation analysis in external as well as in internal parts of the situation analysis. Furthermore, parts of the Volkswagen AG’s situation analysis can be found in the concept of SSBM as the Volkswagen AG analyzes the ecological environment, product stewardship, side effects and identifies threats and opportunities. Analyzing product stewardship is necessary due to the increasing importance of resources and energy, product waste and degradability and possibilities of product recycling (Robert, 1995; Kleiner, 1991). Strongly related to the analysis of product stewardship is the analysis of side effects. Side effects are caused in products, processes as well as in the whole business activities (Müller-Christ, 2001). Therefore, the analysis of side effects and product stewardship are important aspects in the context of sustainability and should be part of the situation analysis of companies.

However, considering the information obtained about the Volkswagen AG’s situation analysis there are some aspects, which are not considered by the Volkswagen AG. In the external analysis these are the customer needs, brand touch points, strengths/weaknesses of competitors and the social and legal environment. In the internal analysis the analysis of the actual positioning/analysis of positioning regarding sustainability and the analysis of human resources are missing. The analysis of customer needs in the Sustainable Strategic Brand Management model includes a special analysis of customers’ demands for sustainable products. This is important as for example Vandermerwe and Oliff (1990) notice an increasing preference of customers for pro-green firms and brands, an increased acceptance for recycled goods and packaging and a growing number of green consumers, independent of age and income groups. Without knowledge about customers’ demands, companies are not being able to fulfill these demands. Also the identification of all brand touch points or points of interaction with the customer is essential. Referring to Schulz et.al. (1993) a brand touch point is defined as any information-bearing experience that a customer or stakeholder has with a brand. To identify these points all possible ways that one of the customers or potential customers can form an impression of the brand, the company or the products/services must be detected (Dunn & Davis, 2004) in order to achieve a consistent brand message (e.g. Chernatony & Dall’Olmo Rily, 1999; Duncan & Moriarty, 1998). Regarding the identification of competitors’ strengths and weaknesses the Eco-Benchmarking is a useful tool (Schaltegger, et.al., 2002). Schaltegger et.al. (2002) define the benchmark process as a constant search for improvement possibilities. In the context of competitors’ sustainable performance especially ecological compatibility of business process and products/services are analyzed and evaluated for example through a comparison of environmental ratios, the ecological business structure and courses and functions of business (Schaltegger, et.al., 2002).

The Volkswagen AG considers sustainability in external and internal aspects of their situation analysis. However, the Volkswagen AG disregards many aspects, which are considered by the literature as being important parts of a situation analysis. Especially in the external situation
There is only one aspect analyzed. As mentioned above, the use and procedure of analyzing factors and tools depend on the company, the industry, the company’s structure, product/service and other variables, wherefore, the Volkswagen AG should not be evaluated on the basis of the number of analyzed aspects. Nevertheless, it can be recommended to the Volkswagen AG to reflect their situation analysis regarding the aspects, which they so far do not analyze, and review if an analysis of these aspects improves the results of their situation analysis, especially in view of the integration of sustainability aspects.

Comparison between the Daimler AG, Volvo Group and Volkswagen AG

In order to compare the three companies’ integration of sustainability aspects in the situation analysis, a table, which includes the considered aspects of the concept of SSBM, the Daimler AG, the Volvo Group and the Volkswagen AG is presented (see Table 1: Situation Analysis).

<table>
<thead>
<tr>
<th>The concept of SSBM – external situation analysis</th>
<th>Daimler AG</th>
<th>Volvo Group</th>
<th>Volkswagen AG</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer Needs – General/Sustainability</td>
<td></td>
<td>+</td>
<td>–</td>
</tr>
<tr>
<td>Brand Touch Points – General/Sustainability</td>
<td>+</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Strengths/Weaknesses of Competitors – General/Sustainability</td>
<td>+</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Legal Environment</td>
<td>–</td>
<td>+</td>
<td>–</td>
</tr>
<tr>
<td>Social Environment</td>
<td>–</td>
<td>+</td>
<td>–</td>
</tr>
<tr>
<td>Ecological Environment</td>
<td>–</td>
<td>+</td>
<td>–</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>The concept of SSBM – internal situation analysis</th>
<th>Daimler AG</th>
<th>Volvo Group</th>
<th>Volkswagen AG</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actual Positioning/Analysis of Positioning regarding Sustainability</td>
<td>+</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Analysis of Product Stewardship</td>
<td>–</td>
<td>+</td>
<td>–</td>
</tr>
<tr>
<td>Analysis of Side Effects</td>
<td>–</td>
<td>+</td>
<td>–</td>
</tr>
<tr>
<td>Human Resources</td>
<td>+</td>
<td>+</td>
<td>–</td>
</tr>
<tr>
<td>Identification of Threats and Opportunities concerning Sustainability</td>
<td>+</td>
<td>–</td>
<td>–</td>
</tr>
</tbody>
</table>

Considering Table 1, all three companies integrate sustainability in their situation analysis. Having in mind that the focus of this analysis is to examine whether the companies integrate sustainability in their external and internal situation analysis or not, and not to what extent and the specific procedure, this question is positively answered for all three companies. Comparing the three companies to each other it can be said that the Daimler AG analyzes all aspects, which are listed in the concept of SSBM, the Volvo Group considers seven out of eleven aspects and the Volkswagen AG analyzes four out of the eleven listed aspects in the concept of SSBM.
5.2 Corporate Goals/Brand Goals including Sustainable Guidelines

In the analysis of the integration of sustainability aspects in the corporate and brand goals it is clarified whether the companies view sustainability principles as further goals besides corporate and brand goals or as guidelines for corporate and brand goals. Therefore, the companies’ guidelines/goals are scrutinized individually and in comparison to each other.

_Daimler AG_

The Daimler AG views sustainability as a guideline for corporate and brand goals. This guideline is formulated in the Global Compact Principles of the Global Compact of the United Nations, to which Daimler is committed as a founding member. These principles are well elaborated and meet the requirements of the principles of sustainability. As Meffert and Kirchgeorg (1993) assume it is not useful to set sustainability objectives and general company goals equal respectively independently side-by-side to each other, because this leads most probably to goal conflicts and problems in the hierarchy of objectives. In critical situations, where for example the company’s going concern is in danger a sustainability goal will always be on the second position, which cannot be the intention of this concept (Meffert & Kirchgeorg, 1993). That is the reason why the extension of the sustainability aspect should be made in form of sustainability guidelines, which frame the corporate goals and brand goals and not in form of stand-alone sustainability goals, which are equally ranked as the company’s general objectives. The Daimler AG meets this claim as their goals follow well elaborated sustainability guidelines.

Daimler AG’s overriding corporate goal is to achieve sustainable profitable growth and thus to increase the value of the group. This overriding goal is built on six strategic dimensions (see Figure 9: Daimler’s Target System), which in turn base on the company’s values (passion, respect, integrity, discipline). Sustainability is integrated in the fifth dimension _operational excellence and sustainability_. It can be positively noted that the Daimler AG includes sustainability in their target system and that it is on a base level, which strengthens the impression that the Daimler AG views sustainability as a guideline for corporate and brand goals. Nevertheless, the questions arise, why sustainability is exactly on the fifth dimension located and why sustainability is on the same level as operational excellence? To consolidate sustainability in a company’s target system it is more recommendable to locate sustainability like the company’s values at the bottom of the target system on which all other target levels and dimensions build up.

Besides having sustainability as a guideline, the Daimler AG also formulates several concrete targets inside the sustainability management department. For instance, one of these targets is sustainability awareness, which should be reached through strengthening employees awareness of, and knowledge about, the group’s sustainability targets and activities. This specific target shows that the Daimler AG is strongly engaged in the awareness of sustainability principles. Moreover, the company names ways through which the target should be reached. In conclusion, the Daimler AG views sustainability as a guideline for corporate and brand goals and has well formulated guidelines, which support the implementation of sustainability principles in this step of strategic brand management. Therefore, it can be stated that the Daimler AG integrates sustainability aspects in the corporate and brand goals as it is suggested by the concept of Sustainable Strategic Brand Management and additionally, going beyond the concept of SSBM, the Daimler AG has also formulated specific sustainability goals.
**Volvo Group**

The Volvo Group views sustainability as a guideline for corporate and brand goals as well. For their general behavior and company’s goals the Volvo Group has formulated a Code of Conduct as guiding principles. This Code of Conduct integrates sustainability aspects, which also base on the United Nations’ Global Compact Principles. As already mentioned, these principles are well elaborated and meet the requirements of the principles of sustainability. However, Meffert and Kirchgeorg (1993) view the sustainability aspect more as a mission statement than as an independent goal and a mission statement should convey uniqueness. That is for companies the only way to maintain a clear and differentiated position in the competitive process (Meffert & Kirchgeorg, 1993). In other words, through this firms are able to build a unique marketing position (UMP). It is questionable, if the Volvo Group is able to build such a position up, Meffert and Kirchgeorg (1993) argue further that sustainability must be seen as a global formulated approach, which does not focus on the company’s uniqueness, but anchors the planned change in the overall economic process through a wide consensus. This is the main challenge for companies: Not the goal itself, but the taken path to sustainability has to be in the center of attention in order to be able to develop the unique and promising elements of the company’s individual mission statement (Meffert & Kirchgeorg, 1993).

Additionally, the Volvo Group has formulated five wanted positions, which should be reached until the year 2020. These five wanted positions do not directly integrate sustainability aspects, except “we are proven innovators of energy-efficient transport solutions” (Volvo Group, 2011a, p. 5). Nevertheless, this is not a negative fact, unless the other four wanted positions build on sustainability guidelines. However, since 2011, the Volvo Group is working on the development of a set of policies, directives and tools concerning sustainability in order to formalize expectations and own commitment in written documents. Moreover, it is also important to recommend the Volvo Group to locate sustainability guidelines like the company’s values at the bottom of the target system on which all other target levels and dimensions build up and in the end concrete targets can be formulated. In conclusion, the Volvo Group views sustainability conforming to the concept of SSBM as a guideline for corporate and brand goals and has well formulated guidelines, which supports the implementation of sustainability principles in this step of Sustainable Strategic Brand Management.

**Volkswagen AG**

The Volkswagen AG views sustainability as a guideline for corporate and brand goals as well and is following the Global Compact Principles, which are well elaborated and meet the requirements of the principles of sustainability. It is essential that sustainability guidelines are linked to the company’s general goals or rather complement the company’s existing business strategy (Azapagic, 2003), as this target of the Volkswagen AG does “by 2018 the Volkswagen Group aims to be the most profitable, fascinating and sustainable automobile manufacturer in the world” (Volkswagen AG, 2012c, p. 10). As well as goals in general also sustainability guidelines and sustainability goals must meet some characteristics. As the Volkswagen AG’s target shows, they integrate sustainability in their targets and meet thereby the characteristics of being clear, concise, wherever possible measurable and realistic, but challenging (Azapagic, 2003). It is important that guidelines are measurable in order to be able to assess whether the guideline has been met or not. Moreover, targets must also be realistic, but challenging and possible obstacles to meet the guidelines and opportunities for exceeding them must be considered. (Azapagic, 2003)
Talking about concrete goals the Volkswagen AG has set itself also detailed sustainability objectives, like “CO₂ emissions by the European new vehicle fleet will be reduced by some 30 percent during the period from 2006 to 2015 – emissions will be below the threshold of 120 grams CO₂/km for the first time by 2015” (Volkswagen AG, 2012c, p. 11). It can be positively noted that besides having sustainability as a guideline for corporate and brand goals, the Volkswagen AG has also set specific sustainability goals with concrete achievement of objectives degrees. Such specific targets show that the Volkswagen AG is strongly engaged in sustainability principles. Moreover, the Volkswagen AG names concrete ways and data through which the target should be reached. In conclusion, the Volkswagen AG views sustainability as a guideline for corporate and brand goals and has well formulated guidelines, which support the implementation of sustainability principles in this step of strategic brand management. Therefore, it can be stated that the Volkswagen AG integrates sustainability aspects in the corporate and brand goals as it is suggested by the concept of SSBM and additionally, going beyond the concept of SSBM, the Volkswagen AG has also formulated specific sustainability goals.

Comparison between the Daimler AG, Volvo Group and Volkswagen AG

All three companies view sustainability as a guideline and follow the United Nation’s Global Compact Principles. These principles meet the required characteristics of sustainability guidelines as they are clear, concise, wherever possible measurable and realistic, but challenging. Fulfilling these two requirements all three companies integrate sustainability aspects in the corporate and brand goals as it is required by the concept of SSBM. As well the Daimler AG as the Volkswagen AG are going beyond the concept of SSBM. Additionally, these two companies have formulated concrete sustainability targets. Nevertheless, it is also obvious that all three companies have still not been able to use the topic of sustainability in favor to build up a unique marketing position. This is probably due to the fact that they all have similar pre-formulated sustainability guidelines and have not developed their own, unique guidelines.

5.3 Brand Identity of the Corporate Brand

Identity evolves from a combination of several characteristics, which must be coordinated in order to finally reflect one and the same person (Wiedmann, 1994). Just as a person’s identity develops over the course of several years, a clear brand identity can also just develop over a longer period of time (Wiedmann, 1994). In the analysis of the integration of sustainability aspects in the corporate brand identity first of all it is clarified of which components the respective brand identity consists. The importance of the individual brand identity components dependens on several factors, like for example the product category, the central brand’s benefits, the brand identity of competitors and the structure of the company’s brand portfolio (Goodyear, 1994). Considering the individual components of each corporate brand identity it is analyzed whether these components integrate sustainability aspects. The deep integration of sustainability aspects in the brand identity components ensures that sustainable thoughts are not superficial and only in the communication pursued, but considered from the bottom to the top of a brand identity in accordance to the claim of the whole-embracing concept of sustainability (Meffert, et.al., 2005). Therefore, each component is considered individually and afterwards the three corporate brand identities of the Daimler AG, Volvo Group and Volkswagen AG are compared with each other.
Daimler AG

Daimler AG’s brand identity consists of the five components origin, competences, performance, vision and values. The component personality, which is part of the concept of SSBM is not a component of their brand identity. The origin of Daimler has been in 1886 when the two Germans Gottlieb Daimler and Carl Benz invented the car and founded the company. Due to the fact that the origin component can respectively should not be changed or modified the consideration of the sustainability aspect in this component is not further viewed. The second component is competences. Daimler AG’s competences are the production of exciting premium automobiles that set standards in the areas of design, safety comfort, perceived value, reliability and environmental compatibility, commercial vehicles that are the best in their respective competitive environment, outstanding service package related to those products and new mobility solutions, oriented towards the needs of customers. Referring to Hart (1995) competences are essential for an adequate combination of resources, which is a fundamental thought of the sustainability principle. This implies inside the Sustainable Strategic Brand Management that for a successful integration of sustainability the brand competences component must be extended through specific sustainability competences. The statement of Daimler AG’s competences shows that they integrate sustainability in their competences and view in this case environmental compatibility as the sustainability competence of the Daimler AG’s products.

In the formulation of the third component performance the Daimler AG has not integrated sustainability aspects as they describe Daimler AG’s performance as an unparalleled range of premium automobiles, trucks, vans and buses. Even though this formulation shows not obviously an integration of sustainability, in fact the Daimler AG already modified and extended their performance through this aspect as they are developing hybrid vehicles and a wide range of local emission-free electric vehicles. In a sustainable brand identity an integration of sustainability in the brand performances should not miss due to the fact that a company is only able to fulfill sustainable customer needs and wants if the brand performance implements the required sustainable components (Meffert, et.al., 2005). Since the demand for sustainable products, like e.g. hybrid cars is steadily growing, companies must extend or modify their brand performance in order to fulfill these customer needs. Therefore, the Daimler AG is advised to integrate sustainability aspects also in the formulation of the component performance.

In the fourth component vision the Daimler AG integrates the sustainability principle itself as a part of their vision “we invented the automobile and we are passionately shaping its future. As pioneers of automobile construction, we see it as our challenge and obligation to continue this proud tradition and make future mobility safe and sustainable – with groundbreaking technologies and high-quality products” (Daimler AG, 2012b). This vision statement demonstrates the important role of sustainability in Daimler AG’s vision and future view. The Daimler AG seems to be aware of the fact that sustainability will determine future business practices and that companies must therefore consider this aspect regarding their future business. The fifth component includes the Daimler AG’s values, which are at first sight passion, respect, integrity and discipline. These values include not directly sustainability, but considering Daimler AG’s sustainability microsite they have a further value responsibility. Taking a look on the description of this value “[…] today our task is to use this power of innovation to tackle the challenges to be faced on the road to sustainable mobility. We are investing in the entire spectrum of environmentally friendly drive systems and striving to be the innovation leader in green technologies […]” (Daimler AG, 2011, p. 53) it becomes obvious that the Daimler AG integrates sustainability also in their brand values.
In conclusion, the Daimler AG’s brand identity consists of the five components origin, competences, performance, vision and values. The components competences, vision and values integrate sustainability principles, while the component performance misses to formulate it, even though in practice sustainability is integrated in Daimler AG’s brand performance. The Daimler AG does not consider the personality component as a part of their brand identity. Comparing this procedure to the concept of SSBM there are four similarities and one difference in the components.

Volvo Group

The Volvo Group’s brand identity consists of the two components vision and values. The components origin, competences, performance and personality, which are parts of the concept of SSBM are not components of their brand identity. The Volvo Group’s vision is to “become the world leader in sustainable transport solutions” (Volvo Group, 2011b, p. 3). This vision should be reached through “creating value for customers in selected segments, pioneering products and services for the transport and infrastructure industries, driving quality, safety and environmental care and working with energy, passion and respect for the individual” (Volvo Group, 2011b, p. 5). Referring to Kapferer (1992), the brand vision determines the brand’s long-term direction of development (5-10 years) and serves for the motivation of internal target groups. Through pictorial-emotional guidelines the importance and function of the brand for the realization of long-term strategic company goals is represented (Kapferer, 1992). To develop motivational and identification power, the brand vision must convey a long-term feasible wishful thinking (Kapferer, 1992). As the Volvo Group’s vision statement demonstrates, the company views the sustainability principle itself as a part of their vision. The Volvo Group seems to be aware of the fact that sustainability will determine future business practices and that companies must therefore consider this aspect regarding their future business. The brand values for the Volvo Group are quality, safety and environmental care. “[…] We believe that it is self-evident that our products and our operations shall have the lowest possible adverse impact on the environment. We are working for future improves energy efficiency and to reduce emissions in all aspects of our business, with particular focus on the use of our products” (Volvo Group, 2011a, p. 5). These values integrate obviously sustainability principles. Especially the aspect of the products’ environmental sustainability is comprehensively considered.

In conclusion, the Volvo Group’s brand identity consists of the two components vision and values and these two components integrate sustainability principles. The components origin, competences, performance and personality are not part of the Volvo Group’s brand identity in contrast to the concept of SSBM. Comparing this procedure to the concept of SSBM only two similarities, but three differences in the components can be figured out. These numerous discrepancies point out that the Volvo Group’s brand identity needs to be improved. Due to the fact that identity evolves from a combination of several characteristics (Wiedmann, 1994), the Volvo Group should reflect their brand identity. Formulating a brand identity, which bases only on two components can lead to a weak and unclear brand identity. Finally, the brand identity should reflect the whole company and a weak and unclear brand identity is probably not able to reflect the company in an appropriate way.
The Volkswagen AG’s brand identity consists of the four components origin, competences, vision and values. The components performance and personality, which are parts of the concept of SSBM are not components of their brand identity. The origin of the Volkswagen AG was the development of a Volkswagen by Ferdinand Porsche in 1937. Due to the fact that the origin component can respectively should not be changed or modified the consideration of the sustainability aspect in this component is not further viewed. The Volkswagen AG’s competences are described as “our activities may focus on the automobile, but the Volkswagen Group is far more than just a carmaker. A wide variety of mobility-related services round off our portfolio” (Volkswagen AG, 2011b). The statement of Volkswagen AG’s competences shows that sustainability is not obviously seen as a competence of the company. However, considering the Volkswagen AG’s vision the aspect of sustainability is integrated. “The driver of our progress towards becoming the most successful automaker remains our vision of being the most profitable, fascinating and sustainable automobile company in the world by 2018” (Volkswagen AG, 2012c, p. 13). This statement demonstrates that in Volkswagen AG’s vision sustainability plays a major role and that it is seen as a mission statement for the company. The company’s brand values are closeness to the customer, superior performance, value creation, renewability, respect, responsibility and sustainability. Referring to Burmann et.al. (2003) brand values represent the fundamental conviction of the management and the employees. They represent in what the brand believes (Burmann, et.al., 2003). Brand values include important emotional components of the brand identity as well as they express the requests of relevant target groups at an ideal brand (Burmann, et.al., 2003). In the context of the integration of sustainability in the strategic brand management process it is essential that the sustainability aspect is reflected in the brand values, like it is in the Volkswagen AG’s brand values. This indicates that sustainability is an important part of the company’s and brand’s belief.

To sum up, the Volkswagen AG’s brand identity consists of the four components origin, competences, vision and values. The components vision and values integrate sustainability principles, while the competences component does not include this aspect. The Volkswagen AG does not view the components performance and personality as a part of their brand identity. Comparing this procedure to the concept of SSBM there are two similarities and three differences in the components. Three of five differences indicate that the Volkswagen AG’s brand identity needs some improvements. Due to the fact that identity evolves from a combination of several characteristics (Wiedmann, 1994), the Volkswagen AG should reflect their brand identity, which consists merely of three components. In order to establish a strong brand identity enough components need to be formulated, which cover all the different facets of the brand. In the case of the Volkswagen AG, as a large and complex company, three components seem to be not enough to cover all brand’s facets.

Comparison between the Daimler AG, Volvo Group and Volkswagen AG

In order to compare the three companies’ integration of sustainability aspects in the corporate brand identity, a table, which includes the considered aspects of the concept of SSBM, the Daimler AG, the Volvo Group and the Volkswagen AG is presented (see Table 2: Corporate Brand Identity).
Considering Table 2, all three companies integrate sustainability in the brand vision and brand values, which are essential brand identity components when it comes to the integration of sustainability principles. By further comparison of the three companies it can be stated that the Daimler AG’s brand identity integrates sustainability in the brand competences, performance, vision and values and the Volvo Group’s as well as the Volkswagen AG’s brand identity integrates sustainability in the brand vision and values. An explanation approach for the differences in the integration of sustainability is, that the Volvo Group and the Volkswagen AG integrate sustainability in a normative point of view. The normative perspective research claims that a global social responsibility is the reason for the integration of sustainability into the decision process, whereas the rational perspective research focuses on an efficient use of resources through innovation and protection of resource pools and the balance between consumption and supply of resources (Hülsmann, 2004). Considering these facts, the normative perspective more focuses on values and norms and the rational perspective rather puts emphasize on resources and competences. The different perspectives of the Volvo Group and the Volkswagen AG in contrast to the Daimler AG are especially reflected in the integration of sustainability in the component competences, in which resources of the company are an important part.

5.4 Brand Architecture of a Sustainable Company

Through the determination of the brand architecture the brand portfolio is systematically structured. In the brand architecture design it is defined on which company level a brand is located, which specific roles and positions they have and the relationship between the brands is examined (Aaker & Joachimsthaler, 2000). The analysis of the brand architecture includes the illustration of the companies’ vertical and horizontal dimensions of brand architecture. Moreover, it is investigated if the corporate brand identity meets the requirements concerning sustainability principles. This prerequisite is important for further considerations of the brand architecture due to the fact that company division brands and product brands cannot be sustainable without a sustainable corporate brand according to the claim of this study. After the clarification of this prerequisite the companies’ brand portfolio is analyzed concerning differences in the integration of sustainability aspects. Furthermore, the use of the corporate brand or a flagship-brand as a positive influence factor for all brands of the brand portfolio is analyzed. Therefore, all three companies’ brand architecture is analyzed individually and in comparison with each other.

<table>
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<tr>
<th>The concept of SSBM – corporate brand identity</th>
<th>Daimler AG</th>
<th>Volvo Group</th>
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The brand portfolio of the Daimler AG consists of the brands Mercedes-Benz, smart, Maybach, Freightliner, Western Star, BharatBenz, Fuso, Setra, Orion and Thomas Built Buses. Concerning the vertical dimension of brand architecture the Daimler AG pursues a branded house of brands (house of brands with endorsements) strategy. Considering the horizontal dimension of brand architecture the Daimler AG pursues a multibrand strategy. Daimler AG’s brands distribute on four main business fields: Mercedes-Benz Cars (Mercedes-Benz, smart, Maybach), Daimler Trucks (Mercedes-Benz, Freightliner, Fuso, Western Star, BharatBenz, Thomas), Mercedes-Benz Vans (Mercedes-Benz) and Daimler Buses (Mercedes-Benz Setra, Orion) (see Figure 10: Daimler AG’s Brand Architecture). Every brand is positioned differently. As analyzed in paragraph 5.4 – Brand Identity of the Corporate Brand – the identity of the Daimler AG meets the requirements concerning principles of sustainability. Moreover, the Daimler AG explains the connection between their corporate brand and their product brands by the endorsement ‘A Daimler Brand’ for brands where Daimler AG is the brand owner and ‘A Daimler Group Brand’ for brands where subsidiaries are the brand owners.

Referring to the concept of SSBM the different brands of a company can integrate aspects of sustainability in different ways and to different extents, but there must be always a general fit respectively the same orientation among all brands of the company regarding sustainable principles. Too big differences between the company’s brands in fundamental issues of sustainability can weaken or destroy at least one brand, but may also debilitate several company’s brands and, as a last resort, the corporate brand. Based on the empirical findings, the integration of sustainability issues in Daimler AG’s brand architecture are especially in brands of the business area Mercedes-Benz Cars, where the level of integration is higher than for example in brands of the business area trucks. This finding leads to the approach to consider the differences in fundamental issues of sustainability not between the individual brands, but between the business segments, like e.g. passenger cars or trucks. Such a consideration is more advisable due to the fact that there are different requirements inside the different business segments. Looking at the Daimler AG’s business segments, there is a general fit respectively the same orientation inside the different business segments of the company regarding sustainable principles.

A strong corporate brand with deeply anchored sustainability principles should be used in order to influence positively company division brands and product brands regarding the integration and presentation of sustainable aspects. A flagship-brand or so called A-brand is defined by high earnings contributions and a special market mindshare (market leadership) (Keller, 2003). Such a position predestines a brand to be a role model for other company brands regarding the integration of sustainability principles. Considering the Daimler AG, their strongest brand is the brand Mercedes-Benz. The Mercedes-Benz brand is the world’s most valuable automobile brand and is integrated in overall group events held by Daimler AG. Synergies can be reached due to the high recognition of the Mercedes-Benz star and brand mark. Based on this, the Mercedes-Benz brand can be seen as the flagship-brand of the Daimler AG.

In conclusion, the Daimler AG’s corporate brand identity meets the requirements concerning principles of sustainability and considering the business segments, there are no significant differences in the integration of sustainability issues. Through a clear and detailed formulation of the company’s values, vision and goals, a consideration and persecution of sustainability aspects is ensured. Furthermore, the Mercedes-Benz brand as Daimler AG’s strongest brand can be seen as the flagship-brand of the Daimler AG. Through the high recognition of the
Mercedes-Benz star and brand mark the Daimler AG can reach important synergies. Considering these facts, the Daimler AG’s brand architecture is in accordance with the contents of the concept of SSBM regarding the brand architecture.

**Volvo Group**

The Volvo Group’s brand portfolio consists of the brands Volvo, Renault Trucks, UD Trucks Mack, Eicher, Volvo Penta, Volvo Aero, SDLG, Prevost and Nova Bus (see Figure 11: Brands of the Volvo Group). The Volvo Group pursues a house of brands strategy, concerning the vertical dimension of the brand architecture. Based on the fact, that each brand of the Volvo Group is independent and focused on a different industry and market segment, the horizontal dimension of Volvo Group’s brand architecture is an individual brand strategy. A strong corporate brand with deeply anchored sustainability principles should be used in order to influence positively company division brands and product brands regarding the integration and presentation of sustainability aspects. This important prerequisite on the corporate brand identity to the integration of sustainability principles cannot be affirmed for the Volvo Group (see paragraph 5.4 - Brand Identity of the Corporate Brand). As already mentioned, this prerequisite is important for the brand architecture due to the fact that company division brands and product brands cannot be sustainable without a sustainable corporate brand according to the claim of this study. This fact can be confirmed when considering the Volvo Group’s company brands, because it can be figured out that the Volvo Group has not formulated the demands of sustainability in detail for each of their brands.

The only way how the Volvo Group integrates sustainability in their brand architecture is through superordinate guidelines of sustainability, which are valid for all brands in their brand portfolio. With the formulation of these guidelines the Volvo Group wants to ensure a consideration of sustainability aspects in the whole company. However, considering these guidelines still concrete demands regarding sustainability are missing for the individual brands. The Volvo Group’s flagship brand is the brand Volvo, which associates with the company’s core values – quality, safety and environmental care. The Volvo brand is used in the car segment, in the engine industry (Volvo Penta) and aircraft and gas turbines segment (Volvo Aero). In this context an integration of sustainability aspects in the key brand Volvo influences also the other brands, which integrate the Volvo logo. In conclusion, the Volvo Group’s corporate brand identity does not meet the requirements concerning principles of sustainability, wherefore the general level of sustainability integration is relatively low in the overall Volvo Group’s brand architecture. The only integration can be seen in the superordinate guidelines, which are valid for all brands. Furthermore, the Volvo brand is the Volvo Group’s flagship brand, which can be used as a role model for other company brands. Overall, a deeper integration of sustainability in all company and product brands, but especially in the Volvo brand as the flagship brand and a revision of the Volvo Group’s brand identity are strongly recommended. Considering these facts, the Volvo Group’s brand architecture is not compliant with the contents of the concept of SSBM regarding the brand architecture.

**Volkswagen AG**

The Volkswagen AG pursues a house of brands strategy. Their current brand portfolio consists of the brands Volkswagen, Audi, SEAT, ŠKODA, Bentley, Bugatti, Lamborghini, Volkswagen Commercial Vehicles, Scania and MAN (see Figure 12: Brands of the Volkswagen AG). Each brand has its own character and operates independently on the market. However, concerning the horizontal dimension of brand architecture the Volkswagen AG pursues a multibrand strategy. As analyzed in paragraph 5.4 – Brand Identity of the Corporate
Brand - the identity of the Volkswagen AG does not meet the requirements concerning principles of sustainability. This prerequisite is important for the brand architecture due to the fact that company division brands and product brands cannot be sustainable without a sustainable corporate brand according to the claim of this study. But in the case of Volkswagen AG this fact cannot be affirmed as the Volkswagen AG nevertheless has a deep integration of sustainability issues at least in some brands, especially in the brands of the middle and middle-high price car segment like Volkswagen, SEAT, ŠKODA and Audi. With clear and detailed formulated sustainability guidelines for each of these brands the Volkswagen AG supports the integration of sustainability at least in these brands. However, the Volkswagen AG is still strongly recommended to revise their corporate brand identity through which the integration of sustainability in all company and products brand is facilitated.

Due to the fact, that each brand has an individual logo and brand name it can be assumed that there are no significant influences of a flagship brand, except the connection between the corporate brand Volkswagen AG and the sub-brand Volkswagen. In conclusion, the Volkswagen AG’s corporate brand identity does not meet the requirements concerning principles of sustainability. Nevertheless, the Volkswagen AG has a deep integration of sustainability issues in some brands, especially in the brands of the middle and middle-high price car segment. Therefore, the Volkswagen AG is advised to revise their corporate brand identity and to work on a deeper integration of sustainability in all company and product brands. Considering these facts, the Volkswagen AG’s brand architecture is mostly not compliant with the contents of the concept of SSBM regarding the brand architecture.

Comparison between the Daimler AG, Volvo Group and Volkswagen AG

Regarding the choice of the general strategy of the brand architecture, all three companies use a house of brands strategy. In the horizontal dimension of brand architecture the Daimler AG and the Volkswagen AG pursue a multibrand strategy and the Volvo Group pursues an individual brand strategy.

If the corporate brand identity meets the requirements concerning principles of sustainability it is considered that the Daimler AG’s brand identity fulfills this requirement. In contrast to that, the Volvo Group’s as well as the Volkswagen AG’s brand identity does not meet this requirement. Additionally, there are no significant differences in the integration of sustainability issues within Daimler AG’s business segments. The Daimler AG has in general a relatively high level of sustainability integration in their brand architecture. In contrast to that, the Volvo Group’s general level of sustainability integration in their brand architecture is relatively low. Due to the fact, that the Volkswagen AG has a deep integration of sustainability issues in at least some brands, especially in the brands of the middle and middle-high price car segment, their general level of sustainability integration in their brand architecture are evaluated as moderate. Furthermore, the Daimler AG and the Volvo Group have flagship-brands, whereas the Volkswagen AG has not.

5.5 Brand Identity of other Company Brands

Besides the corporate brand, there are company brands and product brands, which follow a certain hierarchy (Aaker, 2004). The analysis of the brand identity of other company brands considers the analysis of the integration of sustainability aspects from the corporate brand identity in all other brands’ identities. On the basis of the brand identity, decisions regarding the brand’s positioning have to be made (Meffert, et.al., 2005). The objectives of positioning are to build up a dominating position in the psyche of consumers and to create differentiation ability towards competitive products (Meffert, et.al., 2005). Going from top to bottom inside
the brand hierarchy it is important that sustainability principles are defined more clearly as well as more specific and related to demands of the target group in order to ensure a consumer-suitable address. Therefore, the three companies are analyzed individually and in comparison with each other regarding the integration of sustainability in their company and product brand’s identities.

**Daimler AG**

Mercedes-Benz Cars consists of three brands Mercedes-Benz, smart and Maybach. Mercedes-Benz focuses on the segment of middle to high class vehicles, Maybach focuses only on the luxury high class segment and smart serves the segment for high-quality small cars. Especially Mercedes-Benz and smart integrate sustainability aspects in their identity. For example Mercedes-Benz follows the claim sportiness, comfort, and sustainability. Both brands follow the same values based on the values of the corporate brand Daimler AG, but have totally different origins. While Mercedes-Benz has a long history considering their origin in 1902, the smart brand is a young brand. Based on this, the identity of the Mercedes-Benz brand developed through time and added sustainability issues in their performance and other identity elements. However, the smart brand focuses on economical consumption form the start and integrates sustainability aspects in their values, vision, origin, personality and performance. The brand performance determines the functional benefits that the brand offers their customers (Meffert, et.al., 2005) Regarding the integration of sustainability, a company is only able to fulfill sustainable customer needs and wants if the brand performance implements the required sustainable components. In contrast to Mercedes-Benz and smart, Maybach does not include specifically sustainability aspects in their brand identity except the superior values of the Daimler AG. Concerning the brand hierarchy and the need for more clear and specific definitions of sustainability elements and goals, Mercedes-Benz as well as smart focus on new technologies and innovations, which may have potential to become a standard in their customer segment. Daimler AG’s business area Daimler Trucks consists of the brands Mercedes-Benz, Freightliner, Western Star and Fuso. Each brand serves a different market. All brands share values and vision of the corporate brand Daimler AG. Only the brand Mercedes-Benz includes specifically sustainability in their brand identity besides aspects like quality, cost-effectiveness, and reliability. In conclusion, these facts verify that the Daimler AG integrates sustainability also in their other brand’s identities through their superior values and vision, which is in accordance to the concept of SSBM. Nevertheless, there are differences in the integration of sustainability issues in the other components of the brands’ identities.

**Volvo Group**

With the integration of sustainability aspects in the identity of the corporate brand especially in the brand values and vision all Volvo Group brands follow this superior values and vision. However, concerning a specific integration of sustainability issues in their brand identity, especially the brands Volvo and Nova Bus are noteworthy. The Volvo brand as the core brand of the Volvo Group, with a solid position worldwide, is associated with the group’s core values – quality, safety and environmental care. It is notable that the Volvo brand also integrates sustainability aspects in their performance through for example the development of the Drive-E innovation, which Volvo also communicates. Based on this, communication Volvo also integrates sustainability issues in their brand personality. This derivation bases on the fact that the personality attributes occur in the verbal and non-verbal communication style of a brand (Aaker, 1997; Burmann, et.al., 2003). Maybe the most sustainable brand in the Volvo Group is the brand Nova Bus, which is a leading North American provider of sustainable transit solutions. The described character of the brand includes environmental-friendly buses, high-
capacity vehicles and integrated intelligent transportation systems. The character of a brand can be seen as a synonym for the personality of the brand. Based on this, besides the Volvo Group’s superior vision and values, the brand Nova Bus also integrates sustainability aspects in their personality. Furthermore, Nova Bus communicates their sustainable transit solutions as a benefit for the customer. With this, Nova Bus integrates sustainability also in their brand performance. In conclusion, this proves that the Volvo Group integrates sustainability also in their other brand’s identities through their superior values and vision, which is partially conform to the concept of SSBM. Nevertheless, there are differences in the integration of sustainability issues in the other components of the brands’ identities.

**Volkswagen AG**

The brand portfolio of the Volkswagen AG consists mainly of car brands. The portfolio ranges from middle-priced passenger cars like Volkswagen and ŠKODA to luxury cars like Bentley, Bugatti and Lamborghini. Each brand follows the superior values and vision of the corporate brand. In the car segment, especially the brands Volkswagen, Seat, ŠKODA and Audi integrate sustainability aspects in their identity. Through new ecologic-friendly technologies like BlueMotion, E-Econmove, GreenLine and E-technology these brands include sustainability in their performance. Furthermore, these brands communicate their new technologies to their customers. Based on this it can be concluded that sustainability aspects are also included in their brand personality. The luxury brands Bentley, Bugatti and Lamborghini also integrate sustainability issues in their personality through their communication of environmental and social responsibility. However, the focus of these brands is more on other symbolical and functional elements like passion, elegance, sportiness and driving pleasure. Meffert et.al. (2005) note that for the guarantee of a strong brand identity, the main objective must be a fit between the ideal image of the consumer and the brand identity, which should be especially considered by brands, which have a specific target group like luxury brands have. To sum up, the Volkswagen AG integrates sustainability also in their other brand’s identities through their superior values and vision, which is in accordance to the concept of SSBM. Nevertheless, there are differences in the integration of sustainability issues in the other components of the brands’ identities.

**Comparison between the Daimler AG, Volvo Group and Volkswagen AG**

All three companies give their brands with their sustainability guidelines a solid base for the integration of sustainability aspects in their brand identity. Furthermore, with these guidelines the companies ensure the integration of sustainability especially in the identity elements values and vision. Based on this, in all three companies significant conflicts between the integration of sustainability in the corporate brand and their other brands do not exist. Of course, the level of integration depends on the brand’s target group and long-time established brand identity. For the brand management of each brand it is important to have the need of their target group and key elements of the brand identity in mind. However, with the given information it is difficult to analyze the specific integration of sustainability in the brands’ identity. Especially the integration in elements like competences is difficult to prove. The integration in competences is concluded through the development of new technologies for which the companies need to have knowledge and resources. Nevertheless, the integration of sustainability issues in competences out of the R&D departments cannot be determined. In conclusion, especially in the brand’s values and vision sustainability aspects are integrated. In some cases, there is also in the performance and in connection with the performance in the brand’s personality an integration of sustainability aspects.
5.6 Brand Evolution towards Sustainability

Decisions of brand evolution strategies are extended with a future-oriented and dynamic perspective (Meffert, et.al., 2005). Brand evolution strategies can be different in two main options of act, the brand consolidation strategy and the brand expansion strategy (Meffert, et.al., 2005). The analysis of the brand evolution includes the individual analysis of each brand with regard to their possibilities of an integration of sustainability aspects. Two questions are responded. First, whether each brand has a specific level of sustainability integration and second, what are the strategies for the brands. Therefore, the companies are analyzed individually and in comparison with each other.

*Daimler AG*

Findings concerning the brand evolution strategy of the Daimler AG are for example the development of economic models in their business field Mercedes-Benz Cars. For the brand Mercedes-Benz the Daimler AG follows an extensive brand expansion strategy. The brand expansion strategy is useful for strong brands, which do not exploit their return and sales potential (Meffert, et.al., 2005). Strategies of the brand expansion are geographical expansion or brand extension through line extension or category extension (Meffert, et.al., 2005). Line extension describes the extension of a brand in the same or relative product category, while the category extension describes an extension into a new, not relative product category (Meffert, et.al., 2005). The brand Mercedes-Benz is sold in almost all countries, which is indicative of a geographical expansion of the brand in the last years. Furthermore, the Daimler AG ensures a brand extension strategy. The two brand extension strategies are line extension and category extension. The Daimler AG follows both strategies. The Daimler AG sells Mercedes-Benz accessories like caps, watches, sunglasses, bags and umbrellas as well as clothes, bikes and model cars. This extended offer service confirms with a category extension of a brand like Meffert et.al. (2005) describe. For the analysis of the integration of sustainability issues in the brand evolution, a very important activity of the Daimler AG for their Mercedes-Benz brand is the development of new technologies like BlueTEC, BlueEFFICIENCY and electric vehicles. These innovations are integrated in the product range as line extensions.

The same strategy is used for the brand smart through the line extension smart fortwo electric drive and through sales of electric bikes as a category extension. For the brand Maybach the Daimler AG ensures a different strategy. In November 2011, the Daimler AG decided that there will be no successor for the Maybach. 2013, at least with the start of the new S-Class, the production of Maybach vehicles will be stopped. This strategy is a brand consolidation strategy. For those brands, which have no potential for an integration of the sustainable issues a consolidation strategy, like Meffert et.al. (2005) describe, has to be chosen. If these brands have also a low cash flow and a negative influence on the company’s or other brands’ image the immediate elimination of these brands should be taken into consideration (Meffert, et.al., 2005). However, if a brand has no significant potential for the integration of sustainable issues, but the brand already has a loyal consumer base, referring to Meffert et.al. (2005) than one of the graduated withdrawal strategies should be chosen. Concerning this aspect, the Daimler AG ensures a graduated withdrawal strategy through a step-by-step withdrawal of the Maybach brand. However, it is mistakenly to believe that the Daimler AG cuts back the Maybach production because of the low potential for the integration of sustainability aspects. A more likely reason for this decision is that the Daimler AG is in the red with the Maybach brand for some years (Autozeitung, 2012). In the area trucks, only the Mercedes-Benz brand develops an environmental-friendly and economical line extension. In the area buses, besides the Mercedes-Benz brand, also the brand Setra develops the line extension BlueTec.
Concerning the brand evolution the Volvo Group ensures an expansion strategy for their brand Volvo. Besides a geographical expansion strategy through which the brand is sold in more than 190 countries, the Volvo Group also ensures brand extension strategies. Based on these extension strategies both line extensions and category extensions are followed. Brands with a wide product range, line extensions and category extensions, should be analyzed concerning the fit between the different performances of the extension products and brand’s identity (Meffert, et.al., 2005). Those extension products with a low fit should be eliminated (Meffert, et.al., 2005). For companies, which have not enough resources or competences, strategies like licensing respectively franchising or co-branding provide interesting opportunities (Meffert, et.al., 2005). Regarding the category extensions the Volvo Group sells products like accessories, clothes, giveaways and promotional products. An interesting point for the integration of sustainability in their brand evolution is the development of Drive-E. Drive-E is an all-encompassing approach to sustainable driving, which includes a whole range of technologies. Technologies like the plug-in hybrid concept are available for some car models. The findings concerning the integration of sustainability issues are seen in the line extension strategy of the Volvo Group for their Volvo brand. Besides these strategies for the Volvo brand, the Volvo Group also invests in line extensions in their truck segment. The brand Renault Trucks for example develops fuel saving solutions and electric versions of Renault trucks. The other brands have neither a specific integration of sustainability issues through brand expansions nor ensures the Volvo Group any brand consolidation strategy for these brands.

Volkswagen AG

The Volkswagen AG claims that “every new vehicle generation will be an average of 10 to 15 percent more efficient” (Volkswagen AG, 2012c, p. 11) and that “efficiency technologies such as start-stop and recuperation systems will be standard equipment in all new models” (Volkswagen AG, 2012c, p. 11). Today the Volkswagen AG uses line extensions to highlight their most sustainable vehicles of their brands Volkswagen, ŠKODA, SEAT and Audi. For the brand Volkswagen the environmental-friendly line extensions is called BlueMotion (in each case the most fuel-efficient Volkswagen models in their class), BlueMotion Technology (with optional add-on efficiency packages), TSI EcoFuel (natural-gas powered vehicles which emit around a quarter less CO₂ than similar petrol models) and BlueTDI (models with special emission control technologies for very low nitrogen oxide emissions).

For the brand ŠKODA the line extensions bear the labels GreenLine and GreenLine Technology badges, while SEAT uses the label Ecomotive and E-Ecomotive. Audi adds their lines with fuel-efficient technologies models. A further strategy of most of the Volkswagen AG’s brands is the category extension. Volkswagen sells for example clothes and bikes. The brand Bentley sells accessories. Furthermore, Bentley uses the co-branding strategy for example with the brand ZAI for the co-brand ZAI FOR BENTLEY (super sport skis, poles and ski bags) and the brand Breitling to produce a series of brilliant, exclusive watches under the Breitling for Bentley banner. This strategy confirms with Meffert et.al. (2005) who describe co-branding as a communicated cooperation of two or more brands to develop a new bundle of benefits. However, this co-branding of the brand Bentley is not used for an exchange of resources, competences and know-how concerning sustainability, although this kind of strategy has a high potential for the integration of sustainability aspects.
Comparison between Daimler AG, Volvo Group and Volkswagen AG

In the analysis of the three companies a trend towards sustainable or environmental-friendly line extensions can be figured out. These line extensions are mostly found in the commercial car segment. However, concerning the concept of SSBM it is important that all brands and their product brands are analyzed and evaluated concerning their level of sustainability integration and, if necessary, to draw the consequences. Nevertheless, it is possible that the research and development of new technologies towards more sustainability is still in its infancy. Therefore, it is possible that in the next years, environmental-friendly solutions are not only the extended version of the basic product, but will become standards like the Volkswagen AG claims for their development. Based on this it is difficult to say, if the companies develop these extended variations of their models only for the satisfaction of the environmentally conscious consumers respectively economical customers or if the decisions are based on their conviction for a sustainable development.

5.7 Brand Organization and Internal Brand Management of a Sustainable Company

The brand organization and internal brand management determine the organizational anchoring of the brand in the company (Meffert, et.al., 2005). Therefore, structures and processes as well as information and incentive systems must be defined and established (Meffert, et.al., 2005). All business processes must be well structured in order to ensure an efficient teamwork of all employees, which in turn supports the brand identity (Meffert, et.al., 2005). In the analysis of the integration of sustainability aspects in the brand organization and internal brand management it is investigated how sustainability is integrated in the brand’s organizational structure. Besides this it is further examined if and which general tools for the improvement of the sustainability level are used by the three analyzed companies. Furthermore, the creation of brand commitment and brand citizenship behavior (voluntary commitment for the brand, inspiring other employees and customers for the brand) plays a major role, wherefore the internal brand management is responsible (Meffert, et.al., 2005). The personal contact of customers with people, who are representing the brand (employees, salesmen, customer services), a big influence on the relationship between brand and customer (Meffert, et.al., 2005). Therefore, it is considered which methods the companies undertake in order to create and establish brand commitment and brand citizenship behavior regarding sustainability aspects. The three companies are analyzed individually and in comparison with each other.

Daimler AG

The Daimler AG has integrated sustainability in the brand’s organizational structure through the Sustainability Board. This board manages all processes relevant to sustainability in the company. It is directly responsible to the CEO and supported by the Sustainability Office. Additionally, the Daimler AG has created a new board called ‘Integrity and Legal’, which manages the global legal and compliance organization and the related processes, as well as business ethics and the sustained anchoring of compliance and integrity throughout the Daimler AG. Through this structure, the Daimler AG has integrated sustainability at the top management level, which shows the importance sustainability has for the Daimler AG. Furthermore, there are several general tools used by many companies for the improvement of the level of sustainability (Azapagic, 2003). These tools are e.g. mass and energy balances for the identification of material and energy inefficiencies in the system, system optimization approaches for the identification of options for optimal improvements, environmental audits and environmental management systems (e.g. ISO 14000 and EMAS), or environmental, health and safety risk assessment (Azapagic, 2003). To improve their level of sustainability the
Daimler AG uses such tools. The Daimler AG is certified by the international environmental standard ISO 14001, and the additional validation of the German locations by the EU’s Eco-Management and Audit Scheme (EMAS). Today, more than 98 percent of all employees worldwide work at facilities whose environmental management systems have been certified.

In order to create and establish brand commitment and brand citizenship behavior regarding sustainability aspects, the Daimler AG has formulated a set of standards of professional behavior. In order to ensure this professional behavior of employees the Daimler AG trains and educates its workforce. Therefore, the Daimler AG organizes training programs for employees and managers that focus on the practical application of environmental protection at the company and address questions concerning environmental responsibility. Besides that, the Daimler AG trains auditors, who monitor the environmental management systems of the plants, the company provides training to supplier auditors and offers refresher courses, which allow participants to share ideas and experiences. With these undertaken methods regarding sustainability the Daimler AG’s employees internalize a brand citizenship behavior, which is in accordance to the Daimler AG’s brand values and brand promises. To sum up, the Daimler AG integrates sustainability aspects in the brand organization as well as in the internal brand management conform to the suggestions of the concept of SSBM.

Volvo Group

As Schmitt and Pan (1994) state, especially the service orientation of employees has an impact on the brand identity perceived by the customer, because special efforts are shown, individual needs of the customer are noticed and real appreciation of the customer is demonstrated. Therefore, the organizational structure must take care that all employees internalize the brand identity in order to support and strengthen the brand (Schmitt & Pan, 1994). To meet these demands, the Volvo Group has just now restructured their governance structure in order to achieve a faster decision-making process with clear responsibilities through the organization and to improve the internalization process of their brand identity for their employees. The integration of sustainability in the brand’s organizational structure can be seen in the Board of Direction, which has good knowledge and understanding of CSR and sustainability issues, evaluates the performance, and considers relevant topics such as human rights, environmental matters and corruption in an annual risk analysis. Moreover, the Volvo Group has established a new CSR and Sustainability Committee, which coordinates and prepares issues for the core values and public affairs council. To improve the level of sustainability the Volvo Group is certificated by the international environmental standard ISO 14001. The Volvo Group does not participate in the European Management and Audit Scheme (EMAS).

According to Azapagic (2003) the creation and establishment of brand commitment and brand citizenship behavior regarding sustainable aspects is very important. For a sustainable company it is essential that their employees live sustainable values and behave conform to the brand’s values (Azapagic, 2003). A brand conform behavior has a big impact on the strength of a brand, because the brand lives through the employees (Meffert, et.al., 2005). Referring to Azapagic (2003), in order to create sustainable brand citizenship behavior a sustainable company can e.g. develop workshops, which inform the employees about the need for sustainability and teach them in sustainable conform behavior, or support their employees to control and reduce their own CO\textsubscript{2} consumption at home. In order to create and establish brand commitment and brand citizenship behavior regarding sustainability aspects, the Volvo Group has established formalized forums for employee dialogue and development, such as personal development plans, due to the fact that the Volvo Group believes that open dialogue contributes to personal development as well as more committed employees.
Furthermore, the Volvo Group uses several channels for internal communication like intranet, in-house magazines, team meetings, films and webcasts to reach their employees. Concerning the communication and demonstration of the content and spirit of the Code of Conduct, a web-based training of ethical dilemmas, based on the principles of Volvo Group’s Code of Conduct, is made to support managers. This training helps their managers and employees to reflect their own attitudes and behavior in different situations. With these undertaken methods, the Volvo Group’s employees internalize a brand citizenship behavior, which is in accordance to the company’s brand values and brand promises. In conclusion, the Volvo Group integrates sustainability aspects in the brand organization as well as in the internal brand management conforming to the advices of the concept of SSBM, but the Volvo Group is recommended to think about participating in the EMAS, which is a useful instrument to improve the level of sustainability inside the company.

Volkswagen AG

The Volkswagen AG integrates sustainability in the brand’s organizational structure through the Board of Sustainability Management (see Figure 14: Structure of Sustainable Management of the Volkswagen AG). This board consists of the CSR and Sustainability Steering Group, the CSR and Sustainability Project Team and the CSR and Sustainability Office and is supported by representatives of the brands and regions. The objective of the Steering Group is to network the internal units and improve exchange processes between the technical departments. The Board of Management is kept regularly informed on the subjects of sustainability and responsibility. To improve the level of sustainability the Volkswagen AG uses several tools. Since 1995, Volkswagen AG’s companies participate in the EU Eco-Management and Audit Scheme (EMAS) and the Volkswagen AG participates in environmental certification processes in accordance to the international standard ISO 14001.

Referring to Azapagic (2003) companies, which demonstrate their commitment to people and their values raise staff morale and attract and retain the best talent who are more likely to help secure the long-term viability of the business. Also the Volkswagen AG is aware of this fact and considers their employees as an essential factor for the company’s success “the 500,000 people currently working worldwide to ensure the day-to-day success of the Volkswagen Group are 500,000 individuals with a great variety of talents, qualifications and experience” (Volkswagen AG, 2012c, p. 11). Moreover, the Volkswagen AG is aware of the fact that they need to support each one of them. Therefore, the Volkswagen AG focuses on their employees’ health, skills and commitment. In detail, the Volkswagen AG uses a vocational training system to develop a top team at Volkswagen AG and with the aid of the Student Talent Bank, the StartUp programs and a number of other networked methods, the Volkswagen AG makes sure of its next generation of expert staff.

Considering especially sustainability and in order to create and establish brand commitment and brand citizenship behavior regarding sustainability aspects, the Volkswagen AG’s employees receive special training on climate-related, energy and environmental issues. Furthermore, the Volkswagen AG has established the Volkswagen brand’s Internal Environmental Award as an important management instrument in engaging employees and motivating sustainable behavior. “The purpose of this award is to commend eco-friendly production processes, materials and products which have already proved their worth in practice” (Volkswagen AG, 2012c, p. 57). These implemented methods contribute to the internalization of a brand citizenship behavior, which is in accordance to the company’s brand values and promises. In conclusion, the Volkswagen AG integrates sustainability aspects in the brand organization as well as in the internal brand management conform to the concept of SSBM.
Comparison between the Daimler AG, Volvo Group and Volkswagen AG

All three companies integrate sustainability in their brand organization and their internal brand management. Regarding the brand organization, all three companies established a board of sustainability management, which is placed at the top management level and directly connected to the companies’ highest decision makers.

Supporting the integration of sustainability all three companies are certified by the international environmental standard ISO 14001. Furthermore, the Daimler AG and the Volkswagen AG participate in the EU Eco-Management and Audit Scheme (EMAS). The Volvo Group does not participate in the EMAS. The strengths of EMAS are on the one hand the measurement and publication of all environmental impacts of the company and on the other hand the support of sustainable development. This is in accordance to the environment protection and the improvement of the eco-efficiency. However, participating in the EMAS involves also strict, complex and partly expensive regulations. It requires a high level of willingness to learn and organize. A reason why the Volvo Group is not participating in EMAS can be that they view the involved costs and efforts still as too big hurdles and do not recognize the big advantages EMAS offers for sustainable development. Looking at the internal brand management it is discovered that all three companies are engaged in creating and establishing brand commitment and brand citizenship behavior by their employees. Through different methods, all three companies strive that their employees internalize sustainability principles, which are conform to the brand values and brand promises. Having detected these facts it can be stated that all three companies integrate sustainability aspects in their brand organization and internal brand management as it is basically described in the concept of SSBM.

5.8 Rework of the Concept of Sustainable Strategic Brand Management

In this paragraph the differences between practice and theory are considered. It is examined, which findings from practice are useful in order to improve the concept of SSBM and which findings rather suggest a different approach in practical business. Moreover, it is considered why or why not and in which way findings are integrated in the rework of the concept of SSBM. Figure 15: Rework of the Concept of Sustainable Strategic Brand Management illustrates the contents of the reworked concept of SSBM.
Figure 15: Rework of the Concept of Sustainable Strategic Brand Management
Overall, the concept of SSBM is improved in three of seven steps. In the first step *situation analysis* an improvement is not useful, because every situation analysis depends on several aspects like the size of the company, the industry or the product. The listed aspects in the situation analysis of the concept of SSBM are therefore more suggestions than binding aspects. Nevertheless, since these aspects are more or less used by the Daimler AG and partly by the Volvo Group and Volkswagen AG, the suggested aspects in the concept of SSBM seem to be in general practical.

The first improvement in the concept of SSBM is made in step two *corporate goals including sustainable guidelines and brand goals including sustainable guidelines*. The setting of corporate and brand goals, including sustainable guidelines, is extended through *concrete sustainability goals*. Besides sustainability guidelines the Daimler AG as well as the Volkswagen AG have concrete sustainability goals in order to ensure that sustainability as a guideline is met and to push forward sustainable development in their companies. Furthermore, formulating concrete sustainability goals facilitates the integration of sustainability in all brand’s identities.

Considering step three *brand identity of the corporate brand* big differences between practice and the concept of SSBM can be found. While the concept of SSBM includes in five of the six components (origin, competences, performance, vision, values, personality) sustainability aspects, the Daimler AG includes it in four (competences, performance, vision, values) and the Volvo Group and the Volkswagen AG only in two (vision, values). This focus on the components vision and values meets not the requirements of the sustainability principle due to the fact that sustainability engagement should be especially mirrored in the brand’s competences and performance. If sustainability is not integrated in the brand’s competences and performance the brand can encounter the problem that sustainability becomes only an oral promise and not an integrated part of the whole company. Another danger of such an oral promise is that consumers can uncover such a hollow promise, which can damage the brand’s credibility. Therefore, step three *brand identity of the corporate brand* is not modified, but the companies are strongly recommended especially to rework their components competences and performance regarding the integration of sustainability issues.

For step four *brand architecture* the findings from practice offer no significant improvements for the concept of SSBM. The only fact which can be improved from the analysis of the brand architecture is to consider the differences in fundamental issues of sustainability not between the individual brands, but between the business segments or the brands in the specific business segment. Such a consideration is more advisable due to the fact that there are different requirements inside the different business segments.

The second improvement of the concept of SSBM is made in step five *brand identity of other company brands* which is extended through the statement *with superior vision and values of the corporate brand*. It can be figured out that the analyzed companies use the corporate brand’s vision and values, which include sustainability aspects, as superior guidelines for all their brands. This procedure ensures a consistent implementation of sustainability principles in all brand’s vision and values, wherefore this aspect is included in the rework of the concept of SSBM.

The third improvement of the concept of SSBM is made in step six *brand evolution* with the statement *use of sustainability brands*. As it can be figured out in the analysis, the companies use special sustainability brands in order to mark their most sustainable products. On the one hand such branding makes sustainable products more visible for the customer and on the other
hand motivates the companies. Through extra sustainability brands, companies apply pressure to themselves to observe the high sustainability standards and the fact that brands can suffer a big damage if they fail to observe these standards, can motivate companies to a high extent. Therefore, the aspect of using sustainability brands is taken as a further improvement for the concept of SSBM.

Comparing practice and theory in step seven *brand organization and internal brand management* no significant differences, which offer knowledge or improvements for the concept of SSBM, can be figured out. Nevertheless, the analysis shows that the implementation of a sustainability board is an efficient and realizable way to integrate sustainability as long as the sustainability board possesses appropriate power to participate actively in the companies’ decision processes.
6 Conclusion

The purpose of this study has been to describe how automobile manufacturing companies implement sustainability in their strategic brand management process. This strongly suggested examining several paths towards Sustainable Strategic Brand Management and an exploration of the contents of sustainability in the various components of the strategic brand management process. Therefore, the research question of this study has been:

*How do automobile manufacturing companies integrate sustainability in their strategic brand management process?*

Through an analysis of three automobile manufacturing companies, (Daimler AG, Volvo Group and Volkswagen AG) the integration of sustainability in their strategic brand management can be described as the following:

The brand management process starts with the *situation analysis*. The findings concerning the situation analysis of the three companies are that all three automobile manufacturers integrate sustainability in their situation analysis. The Daimler AG analyzes all aspects, which are listed in the concept of SSBM. The Volvo Group considers seven of eleven aspects, for example the analysis of the customer needs in general and concerning sustainability, the social environment, the human resources and the analysis of product stewardship. The Volkswagen AG analyzes four of the eleven listed aspects in the concept of SSBM, for example the ecological environment, side effects and threats and opportunities concerning sustainability. These findings show possibilities for sustainability aspects to become an important part in the situation analysis and show examples of how companies can integrate sustainability in their situation analysis.

The second step in the strategic brand management process is the formulation of *corporate goals and the brand goals including sustainable guidelines*. Findings are that all three companies integrate sustainability aspects in the corporate and brand goals as it is required by the concept of SSBM. They view sustainability as a guideline and follow the United Nation’s Global Compact Principles. The Daimler AG as well as the Volkswagen AG are going beyond the concept of SSBM. These two companies additionally have formulated concrete sustainability targets. Based on these findings, the concept SSBM is extended through the claim for a formulation of concrete sustainability targets besides the sustainability guidelines. Another finding in this part of SSBM is that all companies have still not been able to use the topic of sustainability in favor to build a Unique Marketing Position. This is probably due to the fact that they all have similar pre-formulated sustainability guidelines and not developed their own, unique guidelines.

The third step of the process is the identification and formulation of the *corporate brand identity*. In this part the findings of this study are that all three companies integrate sustainability in the brand vision and brand values, which are essential brand identity components when it comes to the integration of sustainability principles. The Daimler AG’s brand identity also integrates sustainability in the brand competences and performance. An explanation approach for the differences in the integration of sustainability is, that the Volvo Group and the Volkswagen AG integrate sustainability in a normative point of view, whereas the Daimler AG takes a rational perspective. The only component that cannot be found in the companies’ brand identity is the personality component. Especially in the components values and vision sustainability aspects take an important part for the chosen companies. Nevertheless, it is debatable if an exclusive integration of sustainability in the brand’s values and vision is enough
concerning sustainability as, per definition, a whole-embracing concept and, if a normative perspective supports the challenge of sustainable development.

The fourth part in the strategic brand management is the *brand architecture*. Regarding the general strategy of the brand architecture the findings are that all three companies use a house of brands strategy. In the horizontal dimension of brand architecture the Daimler AG and the Volkswagen AG pursue a multibrand strategy and the Volvo Group pursues an individual brand strategy. In the context of the integration of sustainability it is figured out that especially in the middle and middle-high car segment sustainability issues are integrated in the companies’ brand architecture. Except the Daimler AG, which has in general a relatively high level of sustainability integration in their brand architecture, the other two companies have a moderate or relatively low level of integration. Based on this, an important finding of this study is that there are differences in the consideration of sustainability between the companies’ segments.

The *brand identity of other company brands* is the fifth step of the concept of SSBM. The findings are that all three companies build a solid foundation with their sustainability guidelines for the integration of sustainability aspects in their brand identities. Furthermore, with these guidelines the companies ensure the integration of sustainability especially in the identity elements values and vision. Based on this, there are no significant conflicts between the integration of sustainability in the corporate brand and their other brands in all three companies. Furthermore, it is assumed that in some cases also in the performance and in connection with the performance in the brand’s personality, sustainability aspects are integrated, which conforms to the concept of SSBM. Nevertheless, the question arises if an integration through the overall values and vision is sufficient for a sustainability integration as an, per definition, whole-embracing concept. It is debatable whether the integration in the components performance and communication respectively personality is profound and extensive or only superficial, based on the knowledge that competences are needed to determine the brand’s performance. Considering the findings of the analysis, an integration of sustainability in the component competences does not exist.

The sixth element is the *brand evolution*. The main finding regarding the integration of sustainability in companies’ brand evolution is that there is a trend towards sustainable or environmental-friendly line extensions mainly in the commercial car segment of the chosen automobile manufacturing companies. Based on the concept of SSBM, it is important that all brands and their product brands are analyzed and evaluated concerning their level of sustainability integration and, if necessary, to draw the consequences. However, such consequences are not figured out. Nevertheless, it is possible that the research and development of new technologies towards more sustainability is still in its infancy and that in the next years, environmental-friendly solutions are not only the extended version of the basic product, but will become standards. Based on this it is difficult to say, if the companies develop these extended variations of their models only for the satisfaction of the environmentally conscious consumers respectively economical customers or if the decisions are based on their conviction for a sustainable development.

The last part of the concept SSBM is the *brand organization* and the *internal brand management*. The main finding is that all companies integrate sustainability in both of these aspects. Regarding the brand organization it is figured out that all three companies established a board of sustainability management, which is placed at the top management level and directly connected to the companies’ highest decision makers. Additionally, all companies use the ISO 14001 and the Daimler AG and Volkswagen AG participate in (EMAS).
Concerning the internal brand management, the findings are that all three companies are highly engaged in creating and establishing brand commitment and brand citizenship behavior. Through different methods all three companies take actions to enhance their employees’ internalization of sustainability principles conform to the brand values and promises.

In conclusion, this study has figured out that companies in the automobile industry integrate sustainability to different extents and manners in the seven steps of the strategic brand management process. In these seven steps different levels and potentials for the integration of sustainability are figured out. However, there is still potential and demand to improve the integration of sustainability in the strategic brand management process.

Managerial Recommendations

The managerial recommendations for the Volvo Group and the Volkswagen AG concerning their situation analysis are to reflect their situation analysis regarding the aspects, which they so far do not analyze, and review if an analysis of these aspects improves the results of their situation analysis, especially in case of the integration of sustainability aspects. Regarding the numerous discrepancies between the Volvo Group’s and Volkswagen AG’s brand identity and the concept of SSBM, they are both recommended to rethink their brand identity and to work on a deeper integration of sustainability in all their company and product brands. Lastly, the Volvo Group is recommended to think about participating in the EMAS, which is a useful instrument to improve the level of sustainability inside the company.

Further research

This study has tried to integrate sustainability in the context of strategic brand management and has analyzed this integration through a multiple case study focusing on the automobile industry. For further research it is interesting to investigate how sustainability is integrated in other industries and how the concept of SSBM is suitable for industries like the food industry, in which one company often consists of a range of different brands in different segments, for example Unilever, Johnson&Johnson, Henkel, etc. An interesting question is, whether the differences between the brands concerning their integration of sustainability are more significant than in the automobile industry.

In addition, an interesting research topic is an investigation of the concept of SSBM in smaller companies than the chosen ones and especially an examination of how these smaller companies handle the needs (e.g. resources and capacities) for an integration of sustainability. Moreover, it is interesting to examine the seven steps of the concept of SSBM as this study has not focused on an investigation of in depth insights of each step, but more on the overall performance of companies integrating sustainability in the strategic brand management. Other interesting questions are how exactly the integration of sustainability increases the brand’s value and strength and how this can be measured in the brand controlling. Moreover, the potential of the use of sustainability as a unique marketing position is an interesting topic for further research in the field of sustainable marketing.

Limitations of this study

This study is limited through the partly insufficient empirical data, especially for the analysis of the parts: situation analysis, corporate brand identity and identity of the other company brands. Concerning the situation analysis it cannot be excluded that the chosen companies analyze more external and internal aspects as figured out. For example it is more appropriate that the Volkswagen AG analyzes the general costumer needs. Concerning the corporate and
brand identities it is also possible that the companies integrate more components or more sustain-
ability in their brand identity as the results state. The reason for this lack of information is that the strategic brand management is a sensitive topic. For the companies it can be hazardous to reveal internal information that concern their unique position and generate differentiation to their competitors. Such sensitive information lie especially in the identity of the company’s corporate brand and the identity of other company brands.
References


Appendix

Sustainability in the Context of Strategic Brand Management - Questionnaire

1. Please mark to what extent each statement applies to your company!

<table>
<thead>
<tr>
<th></th>
<th>Very Strongly Agree</th>
<th>Strongly Agree</th>
<th>Undecided</th>
<th>Strongly Disagree</th>
<th>Very Strongly Disagree</th>
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<tbody>
<tr>
<td>Sustainability includes the consideration of social, ecological and economic aspects.</td>
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<tr>
<td>Sustainable issues should be integrated in company’s goals.</td>
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<td>Sustainable issues should be integrated in all departments of the company.</td>
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<tr>
<td>Every employee of the company should internalize sustainable issues.</td>
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<tr>
<td>Sustainable issues are only a marketing instrument.</td>
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<tr>
<td>Brand management is essential for the company’s success.</td>
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<tr>
<td>Brand management should be an own department in the company.</td>
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<tr>
<td>A consistent brand identity is the base for the brand’s success.</td>
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<tr>
<td>It is important that employees “live” the brand identity.</td>
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2. Situation analysis

   a) Does your company consider sustainable aspects in the situation analysis?
      Yes   No

   b) Which of the items does your company analyze regarding Sustainability?
      • Customer needs concerning sustainability (green trends)
      • Strengths/weaknesses concerning competitors’ sustainable performance
      • Legal environment (emission laws, cycle and waste management laws, etc.)
      • Social environment (culture, ethic, values)
      • Ecological environment (substitutable resources, use of resources)
      • Actual Positioning regarding Sustainability
      • Analysis of Product Stewardship (needed resources and energy, product waste and degradability, possibilities of recycling)
      • Analysis of Side Effects (caused in products and processes)
      • Human resources (opportunities for employees’ regeneration)
      • Identification of threats and opportunities concerning sustainability
      • Further items:
c) Which analyzing tools does your company use?
   - Eco-Benchmarking
   - Social-Benchmarking
   - Community Advisor Panel
   - Eco-Efficiency-Analysis
   - Analysis of Sustainable Design
   - Eco-Compass
   - Product-Line-Matrix Analysis
   - Life Cycle Assessment
   - Cross-Impact-Analysis
   - Multiple Scenario Analysis
   - Further tools:

3. Corporate Goals/Brand Goals in a sustainable Company
   a) Does your company consider sustainable issues in the setting of corporate and brand goals?
      Yes  No
   b) My company views sustainability as
      - an equal goal compared to other goals, like e.g. economic goals.
      - a guideline for company and brand goals.
   c) Can you please give an example of a sustainable goal or a sustainable guideline of your company?

4. Brand Identity of the Corporate Brand
   a) How do you see the identity of your corporate brand?
   b) Of which components consists your corporate brand identity?
      - Origin
      - Competences
      - Performance
      - Vision
      - Values
      - Personality
      - Further components:
   c) In which of your corporate brand identity components does your company integrate sustainable aspects?

5. Brand Architecture of a Sustainable Company/Brand Evolution towards Sustainability
   a) Do all brands of your company integrate sustainable aspects?
      Yes  No
   b) Are there big differences regarding the extent of integrating sustainable aspects between the brands of the company?
      Yes  No
c) Please mark to what extent each statement applies to your company!

<table>
<thead>
<tr>
<th>Statement</th>
<th>Very Strongly Agree</th>
<th>Strongly Agree</th>
<th>Undecided</th>
<th>Strongly Disagree</th>
<th>Very Strongly Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>A singular analysis of each brand with regard to the potential of integrating sustainability is essential.</td>
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<tr>
<td>Each brand needs to have a specific level of sustainability ideas.</td>
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<td>Brands with no potential for the integration of sustainable aspects should be immediately eliminated.</td>
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<tr>
<td>A brand, which has no potential for the integration of sustainable aspects, but a loyal customer base, it further kept by the company.</td>
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</tbody>
</table>

6. Brand Organization and Internal Brand Management in a Sustainable Company
   a) Does your company use environmental management systems and if yes, which systems (e.g. ISO 14000, EMAS)?

7. What does your company do in order to create brand citizenship behavior of employees regarding sustainability (e.g. workshops for reducing CO2 consumption, workshops about sustainability)?

8. Do you have any further ideas, suggestions or notes regarding the integration of sustainability in the strategic brand management process? If yes, please explain shortly!