Managing Brands in the Digital Age:
A Model of Relevant Competences

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Abstract

Brand management competences are associated with building up and successfully managing brands over a longer period of time. They help companies maintain their focus and stay on course in an increasingly complex and interactive digital world. This is especially important when digitalization affects not only a specific branch or certain functions of a company, but the company as a whole. Surprisingly little research has been done on brand management competences in connection with increasing digitalization. The presented paper aims to fill this research gap. Based on a qualitative survey and a review of existing literature, it identified four new brand management competences, namely (1) brand effectuation competence, (2) brand causation competence, (3) inter-divisional brand translation competence, and (4) intra-divisional brand organization competence. The competences are brought together in an explanatory model in order to provide a first impetus for a holistic view on relevant competences for building and managing brands in the digital age. One important insight for strong brands today is that they have to adjust quickly to new environmental factors by rapidly developing available internal resources and smartly integrating external resources.

1. Introduction

Brands are "… an organization's promise to a customer to deliver what the brand stands for not only in terms of functional benefits but also emotional, self-expressive, and social benefits" (Aaker, 2014, p. 1). Against this background, it is the task of brand management to position the brand permanently with the relevant target groups by means of a structured process for planning, implementation, and coordination of suitable measures, to build the brand up and to make it more powerful (Aaker, 2014). However, this task is becoming increasingly demanding due to the ongoing digitalization that has been creating new challenges for the management of brands (Temporal, 2010). Some of these challenges are as follows:

(1) today's customers experience a brand not only through various analog contact points, but also through numerous digital points of contact. The sheer number of brand touchpoints makes it extremely difficult to create a homogeneous brand experience across all touch points and communication channels (Baxendale, Macdonald, & Wilson, 2015);

(2) the digital world enables continuous communication between customers,

users, potential consumers, and the brand itself (Young, 2014). From the companies' point of view, brand communication is therefore no longer a one-way road, but rather a means of permanent interaction with customers or users of their brand (Ryan, 2014);

(3) highly interactive media require real-time reactions (Ryan, 2014) especially with regard to internet transactions (e-commerce), where customers expect not only a smooth process and the highest level of convenience, but also extremely short response times (Turban, King, Lee, Liang, & Turban, 2015);

(4) today's customers have an *"anywhere, anytime mentality"*, expecting personal and individual communication at any given time. Moreover, they increasingly share their brand experiences with each other, thus influencing brand perception. This may lead to unforeseeable and unfavorable situations that might be challenging to solve (Dänzler, 2014);

(5) brands can no longer be managed by an individual department. It requires coordination with other departments such as IT, human resources, and/or product management (De Swaan Arons et al., 2014).

Consequently, brand managers are confronted with challenges such as increasing (1) brand management complexity, (2) interaction demands of users/customers, (3) need for promptness, (4) uncertainty, and (5) need for coordination at work. These five new challenges have been observed and noted by several researchers (Jasperse, 2015; Johnson, 2015; Cui et al., 2014; De Swaan Arons et al., 2014; Leeflang et al., 2014; Henning-Thurau et al., 2013; Burmann et al., 2012; Aaker, 2011; M'zungu et al., 2010). However, few have given answers on how to resolve them. It is particularly noticeable that current scientific discussions regarding brand-relevant repercussions due to in-

creasing digitalization hardly touch the area of competences. The study at hand aims to close this research gap by answering the following questions:

(1) What are relevant brand management competences?
(2) How can these be defined and differentiated from each other?
(3) How are they interconnected?

This study is structured as follows: Firstly, an introduction into the topic is given, followed by a short presentation of the theoretical foundations. Then the results of a qualitative study on brand management competences will be presented, structured by definition, and finally organized in an explanatory model for brand management competences. The paper concludes with a discussion of its implications and limitations and an outlook on future research opportunities.

2. Theoretical Foundations

Brands are an organization's promise to deliver what it stands for, which is defined by the brand identity and expressed in the brand's characteristic features (Aaker, 2004; Kapferer, 2002). Customers experience these features every time they come into contact with the brand. Consequently, every contact a customer has with the brand leaves its mark – either positively or negatively – and can influence his or her purchase behavior (Nandan, 2005). With this in mind, it is important for organizations to coordinate all brand-relevant activities to allow the brand to reach its full potential and ensure a compelling brand experience for the customers. This requires personal and organizational competences, both at a strategic and at an operative level. The quality of these competences is crucial to the market success of the entire organization (Burmann et al., 2012) since they secure the brand's long-term performance.

According to Gersch et al. (2005, p. 48), competences are defined as "repeatable action potentials of an organization, which are based on the implementation of

knowledge, led by laws, and therefore not random". The management of these supply and market processes has become more challenging due to the reasons mentioned in the introduction of this paper. To remain relevant, brands must maintain or even regain their power to influence the customer.

In the past, this power often resulted from a successful market (outside-in perspective) or resource orientation (inside-out perspective) (Kubo, 2015; Burmann et al., 2009). Today, however, adaptability to changing conditions is becoming an increasingly important factor for success. Adaptability to changing conditions is central to the dynamic capabilities approach which combines the classic outside-in and inside-out approaches (Teece, 2013) and describes the potential of a company to reliably solve problems, and to identify and seize opportunities intelligently by fine-tuning and further developing its resource base. This fine-tuning and further development of the resource base does not only include existing resources, but also new and, where appropriate, external resources which have to be made compatible with the organization so that they can be meaningfully integrated. The dynamic capabilities approach is therefore particularly suited to meeting current demands for a relevant, unique, consistent, and successful brand experience across all channels and touch points.

In spite of this clear link, research on identity-based brand management has been rarely applied to the dynamic capabilities approach. There are currently only two scientific elaborations that have addressed this topic. The first study is from Blinda (2007), who reaches the conclusion that strategic brand planning competence, the organizational brand implementation competence, and operative brand implementation competence have a positive impact on the strength of a brand. The second was developed by Burmann et al. (2012). They assume that meta-competences relating to strategic flexibility (e.g. reconfiguration competence, brand information extrication competence and replication competence) have a positive influence on the strength of the brand.

Both approaches recognize and stress the necessity of combining the outside-in and inside-out perspectives in order to generate and maintain competitive advantages. However, since the studies by Blinda et al. (2007) and Burmann et al. (2012) have been conducted almost ten years ago, the necessary skills that are especially relevant in the digital world have not been included.

3. Qualitative Study

3.1 Procedure

In order to form a solid foundation for the identified research topic, expert interviews with 15 top-level executives in leading brand management and marketing positions at well-known companies in various sectors were conducted over a period of three months. These were semi-structured, face-to-face interviews that lasted between 90 and 150 minutes.

3.2 Results

Seven competences transpired as especially relevant to brand management today: Firstly, almost all experts saw a need for (1) a competence to make brand-relevant content transparent across divisions (inter-divisional brand translation competence). The experts also revealed that (2) the competence to quickly and flexibly agree on the necessary organization or composition of project-based teams for brand-relevant measures has become important to many (brand) departments (intra-divisional brand organization competence). In addition, many executives highlighted the need for (3) a competence to make targeted decisions on brand identity, brand planning, and resource allocation (strategic brand development competence). In situations with predictable outcomes, they believe that this requires (4) decision-making competences based on causal logic (brand causation competence). In situations with uncertain outcomes, how-

ever, they were of the opinion that (5) an open attitude towards unforeseeable events on the one hand, and a focus on the available means on the other hand is crucial (brand effectuation competence). Furthermore, many experts stressed the significance of (6) a competence that focuses on absorbing relevant information (brand information absorption competence). Almost all experts also talked about the growing relevance of (7) the competence to shape the customer journey in a way that addresses and fulfills the actual needs (e.g. real-time interaction, automation, and individualization) of customers (brand implementation competence).

Finally, it should be mentioned that many experts spoke about the relevance of a brand controlling competence. However, as this competence seems to interact with most of the other competences in a very complex way, it will not be further explored here.

Table 1 shows a list of definitions that will further clarify and illustrate the brand management competences identified.

Table 1: Brand Management Competences

(1) Inter-divisional brand translation competence	The ability of the brand management department to translate brand messages and values for other departments within the organization.
(2) Intra-divisional brand organization competence	The ability of the brand management department to organize brand-relevant tasks within the department.
(3) Strategic brand development competence	The ability of the organization to make targeted decisions on brand identity, brand planning, and resource allocation (Conant et al., 1990).
(4) Brand causation competence	The ability of the organization to make the right strategic brand decisions based on causal logic in situations with predictable outcomes.
(5) Brand effectuation competence	The ability of the organization to make the right strategic brand decisions based on experience in situations with unpredictable outcomes (Sarasvathy, 2001).
(6) Brand information absorption competence	The ability of the organization to absorb brand-relevant information from its environment – especially information on latent developments (Blinda, 2007).
(7) Operative brand implementation competence	The ability of the organization to convert the strategic brand management concept into actual measures as part of the marketing mix (Blinda, 2007).

3.3 Propositions

Six propositions on the relationships between these constructs were formulated. They will be discussed in the following.

P1: The greater the strategic brand development competence is, the greater the operative brand implementation competence will be.

In the digital environment, the strategic brand development competence should function as a guide for brand management. A head of brand management of a leading B2B company noted in this context: "I have to ... start thinking from the set objective and then to decide what is beneficial to reach this objective. It is essential to have a strong link between the concept and its systematic implementation with the appropriate measures and activities". Operative brand management thus depends on strategic brand management. Blinda (2007) found that the same is true for the operative brand implementation competence. According to his empirical results, strategic brand development competence strengthens operative brand implementation competence.

P2: The greater the impact of the strategic brand development competence on

operative brand implementation competence is, the greater the inter-divisional brand translation competence will be.

According to the experts interviewed, brand-relevant measures are no longer developed in isolation. Rather, brand-related issues and projects are implemented together and harmonized. Consequently, one of the key tasks of brand management is make both the brand and the underlying structure of the brand identity transparent inter-divisionally. One expert likened this to a Venn diagram: Previously, the departments for IT and marketing had hardly any contact points, but today there is a rather significant overlap, and "that means that one has quite a lot to do with each other, … with the added benefit of being able to constantly communicate to each other why this or that makes the brand a little better".

P3: The greater the impact of the strategic brand development competence on the operative brand implementation competence is, the greater the intra-divisional brand organization competence will be.

Most of the experts interviewed in this study believe that the number of options is increasing in the digital world. The head of market research of a global market leader for cleaning technology explained this: "I have to test many, many options, and I encourage my colleagues to walk new paths, to try something new. But it is also important to constantly ask yourself what can I learn from this, how can I do something better and, above all, which team members should I share these insights with so that others can benefit from my lessons learned". The resulting operative challenges can only be met with a flexible organizational structure that will allow rapid information exchange and an effective organization of brand-relevant tasks (Da Silveira et al., 2013).

P4: The greater the brand effectuation competence is, the greater the strategic brand development competence should be.

The director of a large publishing company explains it as follows: "Being ready for change, being open for transformation, and being ready to learn something new, in order to remain flexible and agile. …We try to strategically explain the various challenges connected to the change process, starting with the big picture, and then to demonstrate what that means specifically. … This being said, the focus is always on what we can achieve with our current resources – otherwise we spread ourselves too thin". Another expert adds: "…defining structures, roles and processes while at the same time remaining flexible is surely one of the greatest challenges for brand management at the moment". Strategic brand management is therefore increasingly driven by an endogenous dynamic which enables the company to react agilely, flexibly, and elastically to exogenous influences (Rosenbaum- Elliott et al., 2015).

P5: The greater the brand causation competence is, the greater the strategic brand development competence will be.

The brand manager of a leading mobility and logistics company stated that "...it will remain the task of the brand management to ensure certain results..." and that these results "...are reached mainly through causal means...". Causal logic appears to have a positive impact on strategic brand development even in an environment with strong digitalization.

P6: The greater the brand information absorption competence is, the greater the strategic brand development competence will be.

One of the most critical competences in the digital age is finding and understanding brand-relevant information in the company's environment, especially on latent developments, and processing them within the organization. The vice president for marketing and brand management of a leading internet portal for German-speaking countries stated: "We try to quickly boost the competences of our employees through empowerment, i.e. getting involved in the task, and applying all the relevant information in order to complete a project in accordance to the strategic parameters and in the interest of the brand – possibly even independently". Burmann et al. (2012) also viewed the brand information absorption competence as being closely intertwined with the strategic brand development competence; thus, increasing the operational potential of a brand by shaping the motivation and commitment of relevant employees.

Figure 1 summarizes the six propositions in form of an explanatory brand management competence model.
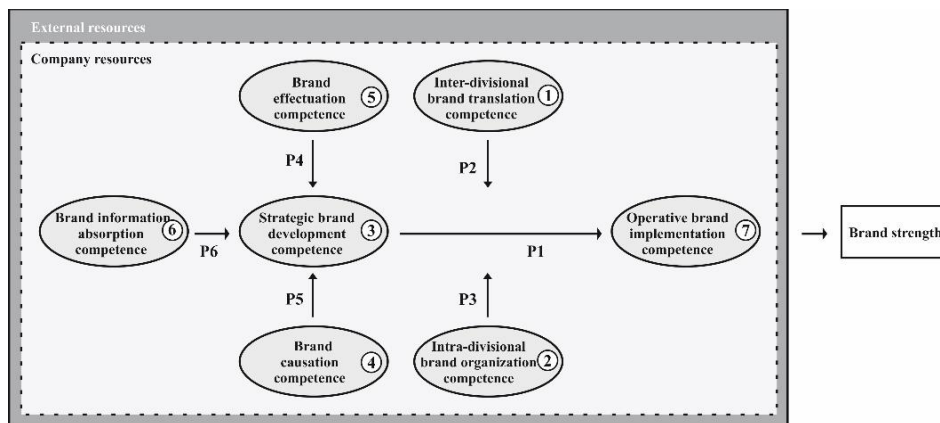

Figure 1: Model of Brand Management Competences
Source: Own Diagram

4. Conclusion and Implications

The study at hand provides important insights into brand management competences in an increasingly digital world. It has several implications, at least three of which are of a theoretical nature.

First, new brand management competences were identified, which have not previously been addressed in literature: (1) inter-divisional brand translation competence, (2) intra-divisional brand organization competence, (3) brand effectuation competence and (4) brand causation competence. Second, it improves our understanding of these competences by defining and discussing them thoroughly. Third, it develops an up-to-date explanatory model that reveals the relationship between these newly identified competences and already known competences, creating a more holistic view of brand management in a digital era.

This study also has a number of implications for management. First, it clarifies that strategic brand development competences are driven by a company's ability to apply newly learned information to reach their targets through a combination of reflection and intuition. Accordingly, employees who understand the needs and wants of the market, who can anticipate new developments at an early stage and can harness these insights for the brand, are becoming increasingly important. The traditional business curriculum, which is primarily based on rational brand decisions, must therefore be expanded to include innovative approaches that improve employees' intuition. Second, qualitative market research shows that successful brand management today is inherently

inter-divisional, i.e. in cooperation with other departments, especially IT and human resources. As a result, it is increasingly important to foster inter-divisional under-standing of the brand and to anchor key brand messages in employees' minds. This is easier if brand management employees have an interdisciplinary background and strong communication skills. Third, the study shows that the brand implementation competence is still fundamental to brand management. Aaker's (2010) statement "strong brands do not just happen" is therefore just as relevant in the digital age. However, due to the increasing digital dynamic and uncertainty, brand manage-ment must be significantly more agile than in the past.

5. Limitations and Future Research

This study is a first step to better un-derstanding brand competences that are relevant in the digital age. However, like any study, it has several limitations that may be addressed by further research.

The authors of the study understand that the scope of the qualitative market research can still be extended. Additional interviews, especially with companies outside of Germany, might help identify further variables and constructs, as well as improve existing insights. Furthermore, it must be noted that the study at hand is a purely explorative research and so the causal relationships described in Figure 1 require confirmation. Quantitative research in particular is considered useful in this regard. Last but not least, while this study identified numerous variables and con-structs, these must still be further opera-tionalized in order to conduct such quanti-tative research.

Regardless of these limitations, the study at hand shows that research on brand competences in the digital era is still in its infancy stage. As this is a highly dynamic field, it will offer a wide range of research opportunities for years to come.

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