# "Branding as a market shaping activity – a case study in the construction industry" Hilary COLLINS, Florence CRESPIN-MAZET, Karine GOGLIO-PRIMARD, Euromed Management Toulon, France

#### **Abstract**

The objective of this paper is to analyze the internal impact of the brand within the firm and the way the brand can contribute to shaping the firm's internal market representations fostering change management and the development of the internal and external market orientation through new identification processes. Instead of focusing on the external impact of the brand (market impact), the paper focuses on the development, launch and implementation process of one brand and analyzes its internal consequences on the firm and its employees. It shows how a commercial brand can generate multiple interpretations and can foster the emergence of internal communities (Wenger, 1998) stimulating information exchange, sharing of best practices, innovation and collective intelligence. In that respect, the brand can be considered as an internal communication tool which stimulates the development of an external market orientation (Lings, 2004). The members of these brand communities collectively developed their own tools, vocabulary, sales and management practices around the brand so as to make it their own. This highly involving and challenging process (a very unusual practice in the industry) shaped their personal identity and consequently, the firm's organisational identity and culture.

After a literature review on how actors construct meaning and shape the market through various representations using physical artefacts (the brand as a symbol) and classifications, the paper presents and analyzes a longitudinal case study of a major construction contractor which developed a branding strategy to promote its activities. The construction industry represents an interesting case as the current challenges introduced by sustainable development deeply affect its historical practices and push the industry to engage into a major change process away from local, sequential and often adversarial relationships in the supply chain (Guillou et al., 2003) towards increased cooperation with an enlarged network of stakeholders.

**Key words:** brand, branding, internal marketing, internal communities, change management, organisational identity, organisational culture.

#### I. INTRODUCTION

This paper addresses the role of the brand in the management of change of the firm's organisational identity and organisational culture. It analyzes the processes through which the brand contributes to shaping the internal representations about the market and about the appropriate behaviours, methods and communication strategies to efficiently tackle this market (market practices). It illustrates how the brand can foster the practical transfer of ideas and knowledge about markets and market practices between various agents, thus contributing to filling the gap often mentioned in marketing research, between marketing theory and practice (Hagberg & Kjellberg, 2010). In that respect, branding influences the organisational culture (how things are done in an organisation) and informs both internal and external stakeholders about the values of the organisation. It can thus also be viewed as an exercise in the management of meaning (Kärreman & Rylander, 2008). This meaning is not just sent to the firm's natural external audience (customers) but also to its employees in particular to those who contribute to promoting the brand. The brand can thus act as an internal communication tool between the firm's management and its employees sending a signal about the new values and strategy of the organisation (Kotler, 1994; Lings, 2004). In turn, the employees' reaction to the brand, their level of adoption of the brand values, as well as the way they shape the brand according to their own market understanding and representation may influence their satisfaction on the job. This may also have an impact their market performance: as outlined by Lings (2002) in service markets, the competitive advantages in service markets can be facilitated if managers focus on the satisfying the needs of their employees and their customers.

This paper is therefore grounded in internal marketing theory, organisational research theories on culture and identity and is also inspired by the sociology of science and technology (Mattsson, 2003) which suggests that markets are performed and shaped by multiple actors (Callon & Muniesa, 2005; Kjellberg & Helgesson, 2006). Instead of focusing on the external impact of the brand (market impact), the paper analyzes the internal impact of the brand within the firm and the way the brand can foster change and the development of the internal and external market orientation through new individual identification processes. Change at the level of the organisation or industry has been explored, but it has been argued that a more micro level analysis is necessary in order to gain a fuller understanding of the dynamics of

strategic change (Johnson, Melin & Whittington, 2003). Arguments have come from empirical research on organisational innovation and situated practice (Johnson & Huff, 1997). In order to understand the effect of the processes of change there is a need to incorporate the lived experience of the actor. This paper thus deals with the role the brand plays in helping shape the actor's identity (employees) and subsequently response to change. It deals in particular with change aimed at increasing the firm's external market orientation.

The paper is structured as follows. The next section is dedicated to a literature review discussing how actors construct meaning and, in consequence shape, the market through various representations using physical artefacts (symbols) and classifications, on organisational identity and culture, and on how change occurs within the organisation. We then describe our research method before presenting the case study and the way it can be interpreted. We conclude by drawing the main theoretical and managerial findings of this case study related to the role of the brand.

#### II. LITERATURE REVIEW

#### 2.1. Artefacts, symbols and classifications as market shaping devices

According to the sociology of science and technology (Mattsson, 2003; Callon & Muniesa, 2005), markets bring together several actors with various market representations, which all try to shape the market according to their own representations and objectives (Araujo, 2007). This echoes recent literature on the issue of performativity (Callon, 1998) and on the performative role of marketing, an issue that remains relatively unexplored in the field of marketing theory (Kjellberg & Helgesson, 2006).

To understand how markets are shaped and performed by these actors, it is therefore important to understand how actors form representations about the market, how this influences their market practices and the role that managers can play in that process. The sociology of science and technology has illustrated how mundane artefacts (Latour, 1992) can influence these representations and contribute to shaping the market. Similarly, Azimont and Araujo (2010) have shown how classification devices contribute to shaping the market by placing boundaries around objects and activities. This echoes the works of Czarniawska and Mouristen (2009) who argue that management is essentially a process of turning the

complexity embodied in things and people into simplified quasi-objects that can be treated and acted upon as discrete and separate entities.

In that context, we will more specifically analyze the brand as a "mundane artefact", or one form of classification (simplifying the detailed and complex content of a company's actual offer, production and delivery processes) and how the brand contributes to shaping the internal representations and hence market practices. This leads us to consider the symbolic meaning of the brand.

In the marketing literature, the brand corresponds to something that identifies a product or a service, be it a name, a symbol or something else (Keller, 1993). Almost all brands are seen to hold some socially determined symbolic meaning (Levy, 1959; Mayall, 1979; Doyle, 1999; Alvesson, 2002). Brands can thus be seen as a symbol i.e. an object - a word or statement, a kind of action or a material phenomenon- that stands ambiguously for something else and/ or more than the object itself (Cohen, 1974). As pointed out by Kärremen and Rylander (2008: 105), the marketing literature on brands has however "failed to recognize that social processes affect brand recognition, knowledge and association"... "The strategic marketing perspective is unable to provide insights into how brands are socially constructed, maintained, consumed and resisted". Following Kärremen and Rylander's pioneering paper, we would like in this paper to explore the role of brands as "vehicles of meaning that may deeply affect interpretive communities". The complexity of a symbol like a brand and the meaning it expresses actually calls for considerable interpretation. Brands may evoke feelings and associations which can be likened to the organisation or its products and services. Subsequently, this culturally constructed meaning from a brand allows an actor to communicate their identity through the brand; it allows them to "project a desirable image to others, to express social status and to make visible their personal characteristics" (Dittmar, 1992: 89). Therefore, the brand contributes to the expressive equipment with which people present themselves (Goffman, 1990).

Whereas semantic interpretation relates to what the brand is perceived to promote, symbolic association is determined by what the brand is seen to symbolise about its user, or the sociocultural context of use (Gotzsch, 2000). Therefore, the social value assigned to a brand determines the symbolic associations that are made. In addition to this distinction between an

inward and outward expression of identity, Dittmar divided the symbolic qualities associated with an artefact (the brand) into *self-expressive* and *categorical* meanings (Dittmar, 1992).

Self-expressive symbolism associated with artefacts (the brand) facilitates the expression of ourselves in terms of the brand. These expressions serve to differentiate the user from others (Csikszentmihalyi & Rochberg-Halton, 1981) and may symbolise the person's individual identity (Snyder & Fromkin, 1980). Categorical symbolism associated with artefacts (the brand) facilitates the expression of group membership, including social position and status (Dittmar, 1992). These categorical meanings integrate the user with those that surround them (Csikszentmihalyi & Rochberg-Halton, 1981). One of the principal ways to express membership of a social group is through shared consumption symbols (Belk, 1988). The symbolic meanings constructed from artefacts are culturally defined (Dittmar, 1992). Therefore, the extent to which an artefact is seen to reflect or support identity will be determined by the cultural context within which the brand is used. The meanings attached to the brand as an artefact and symbol are consequently often determined factors other than appearance.

There is not necessarily a clear distinction between the symbolic value associated with a product and semantic interpretation of its instrumental value. For example, qualities such as the apparent efficiency of a product or offering (semantic interpretation) may be transferred to its user, who may be perceived as being efficient themselves (symbolic association) (Dittmar, 1992).

Brands (artefacts) hold a symbolic value in reflecting the social groups to which users belong (Bourdieu, 1991). Cultural tastes are often characterised by agreements on what looks good, what is worth aspiring towards and how these aspirations can be reinforced with material goods (Dormer, 1990). Thus, when brands are used, expressions of "I like that" may be implicitly converted to "I'm like that" (Postrel, 2003: 101-103); taste is not only a matter of aesthetic preference, but also of social discrimination (Bayley, 2000).

Almost all brands elicit aesthetic, semantic and symbolic responses to various extents. The relative strength and importance of each aspect of response may vary depending upon context, motivation and product type. The symbolic meaning associated with brands often has the potential to dominate the aesthetic and semantic aspects of cognitive response (Baxter, 1995). Perhaps the brand as an artefact and symbol can be used to understand our role in the organisation as well as understanding what image the organisation is trying to project of

itself. If this is the case, and the groups and individuals do not identify with the projected image of overall organisational identity does this mean they will become disengaged with the organisation and form stronger group and workplace identities? Understanding the role artefacts, such as the brand, play in the affirmation or alteration of our workplace identities could assist us in both managing change.

# 2.2. Artefacts, Identity and Change

# Individual and organisational identity

Hatch (1993) defined identity as how we define and experience ourselves. This identity is affected by our activities and beliefs and justified by our cultural assumptions. Turner (1978) has suggested that individuals deliberately choose to define themselves as members of specific groups or categories. Self categorization theorists propose that individuals choose to define themselves as members by selecting self categorizations which illustrate positive distinctiveness and comparing themselves with others. They say and do things to try to change the parameters so that a subjectively more meaningful and self-favouring identity becomes salient (Hogg and Terry, 2000:125).

At the organisational level, it is interesting to analyze the relationship between individual employees' identities and the firm's organisational identity. Albert & Whetten (1985) defined organisational identity as members shared beliefs of organisational characteristics that are central, distinctive and temporally continuous. They proposed that organisational identity asks the question 'who are we as an organisation?' Organisational identity describes the essence of an organisation (Albert & Whetten, 1985). According to this viewpoint, it is important to understand what an organisations identity is because it becomes a way in which organisations define themselves to customers, employees, suppliers, and investors. Hence, organisational identity gives the internal and external stakeholders a reference point for what the organisation is. It is often noticeable in the behaviour of the organisational actors.

Individuals can alter organisational identities and the relationship between individuals and organisations is reciprocal. Just as organisational identities can influence individual behaviour, individual behaviour can influence organisational identities (Pratt & Foreman, 2000). Nagel (1994) found that ethnic and cultural identity develops through an on going

dialectic between individual processes of self-perception and external political, social, and economic forces. We can also realize our social identity through our workplace or through our personal relationships. It is often necessary to communicate our identity, be it social or organisation, to others. Accurate representation of our identity helps us as well as others to navigate our way through our environment. Presenting our identity helps guide behaviour along appropriate lines and we behave differently when we are aware of others identities.

# Artefacts and identity

Hatch (1993) made the link between physical symbolic artefacts (such as the brand) and identity by stating that we use cultural and artefacts symbolically to present an image that will be interpreted by others. Artefacts are a means through which not only identity is communicated but also information gained from the interpretation of our surroundings is used as a sensor to alter our identity and the signals we send to others. Dutton and Dukerich (1991) suggested we 'might better understand how organisations behave by asking where individuals look, what they see, and whether or not they like the reflection in the mirror' (1991, p.551). This mirroring process, in terms of the link between identity and image was described by Dutton and Dukerich (1991:550) as

.... 'What people see as their organisation's distinctive attributes (its identity) and what they believe others see as distinctive about the organisation (its image) constrain, mold and fuel interpretation.... Because image and identity are constructs that organisation members hold in their minds, they actively screen and interpret issues.....using these organisational reference points.'

In the following we suggest that organisational actors construct their identity in relation to the events and images around them, in this case the brand, and also in relation to what we perceive ourselves to be. When we do not accept the images we have of ourselves or our organisation we seek to alter these images (Hatch & Schultz, 2002).

Hatch & Schultz (2002) proposed that we come to perceive objects and cultural artefacts, as possessing those meanings experience adds to them. We would propose that, as actors, we carry that meaning implicitly and through the artefacts (the brand) as a tool, a language, we translate the implications and make sense of our cultural understanding bringing them to a cultural surface. These artefacts then are used in a self-defining, identity forming process. The process by which cultural meaning and artefacts meets is one of social construction.

Organisational actors make the organisations character known by its outgoing discourse (brochures, advertising and brand) and this communicates identity as an organisation within the organisation. Rindova and Fombrun (1998:60) stated that projected images reflect not only organisations strategic objectives but also its underlying identity. Images that are consistent with organisational identity are supported by multiple cues that observers receive in interacting with organisations. We would argue that how we embed identity in organisational culture and how our identity expresses cultural understandings is at least partly through symbolic artefacts, in this case the brand.

# 2.3 Interpretation and Change

Researchers have proposed that it is crucial to understand change recipients reactions to change and the way they shape change (Isabella, 1990; Labianca et al., 2000; Balogun & Johnson, 2004). An organisational level phenomenon such as actors' responses to organisational level change is translated into a series of individual level change events in which the actor experience change directly (Dean et al, 1998; Wanous, Reicher & Austin, 2000). What this suggests then is that organisational change may have different effects on different parts of the organisation (Daft & Weick, 1984). For example, incidences of restructuring involve changes in the reporting structure and resources. However, these changes may not be equally spread around the organisation. Some may be unaffected whereas some may have new leadership. Some may experience a substantial shift in resources, positively or negatively, others little at all.

The mechanism by which an actor's response is formulated is a cognitive one in which the actor decides whether he or she has been personally affected by the change. This paper focuses on the particular type of individual characteristic and the actor's identification with the organisation and the role the brand help shape the actor's identity and subsequently response to change. If we manage these changes, understanding the reaction organisational actors may have means they may be more likely to succeed and have a positive impact in the organisation. These changes often generate publicity for the organisations when they are implemented (McKinley et al, 2000). How well they are managed can have a positive impact on this publicity with a consequent influence of the organisations reputation (Fombrun, 1996).

Tsoukas and Chia (2002) have argued that social reality is not composed of solid objects that are complete and in some sense 'finished' interacting with each other. They regard social reality as always being in a state of becoming. Our reality then is constantly shifting with some episodes being more in flux than others. Our positions within the organisation can change as an individual (having to relocate), as a group (being given a new project), as an organisation (targeting a new market) and these factors operate in tandem. Sometimes our interpretation of the brand is unconscious and sometimes conscious. It follows that our interpretations are transient and subject to change and re evaluation in a constantly shifting organisation.

The literature leads to a proposition that we do interpret symbols and this interpretation is used in identity forming processes. However the role this process plays in the interpretation of the brand as an artefact and the consequence this may have remain unconfirmed. The primary data collection focused on understanding this role.

#### III- RESEARCH METHOD

This paper is based on an in-depth longitudinal case study of a major construction contractor, which decided to develop a branding strategy to promote its project activities. The selection of a case in the construction industry was interesting due to the industry's need to deeply change its current, institutionalized practices based on sequential and often adversarial practices (Guillou et al., 2003) and adopt a totally "new paradigm" to meet the challenges of sustainable development and Kyoto's objectives<sup>1</sup>. The selection of Spie batignolles and its pioneering brand Concertance®<sup>2</sup> was also found relevant as the approach promoted by the brand is very innovative, compatible with this new paradigm, and pushes the firm's employees to strongly modify their habits and practices:

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<sup>&</sup>lt;sup>1</sup> The industry accounts for approximately 40% of total energy expenses, 40% of carbon emissions of 40% of the waste generated.

<sup>&</sup>lt;sup>2</sup> The firm developed three brands dedicated to three different types of project activities over time. The brand essence is the contractor's processes formalized in a set of commitments.

- It requires to adopt a proactive, consultative sales approach far from the dominant practice of compliance to call for tenders (hence relying on targeted sales prospects, customer qualification, thorough understanding of customers' needs);
- It relies on the co-creation of value with the customers and key project stakeholders (architects, designers, specialised engineering firms or trade specialists). The employees must therefore manage this value co-creation process and hence, develop their project management skills (relational and organisational abilities). They must manage both a technical and a social construction process (Akrich, Callon, Latour, 1988).
- The brand requires modifying the communication strategy as it relies on new concepts such as trust, functional analysis and value creation methodologies. Such a wording is unusual in the construction industry, mostly accustomed to transactional and adversarial practices. Referring to trust, open book approaches and cost transparency in this context is so novel that it can generate scepticism (the customers thinking that it is too good to be true!).

The data collection focused on the development, launch and implementation process of the brand. Data was collected through face to face interviews and attendance to group meetings with people at various functional positions within the firm (sales engineers, project managers, regional managers, marketing director, brand manager). Data collection took place at different stages in the launch and implementation process of the brand:

- In 2000: when the company decided to launch the brand (face to face interviews with the strategy and marketing director; with the future brand manager; with a regional manager)
- In 2001-2002: with the local sales team in the South-East region which tried to first adapt the brand and started segmenting their market to target the brand to the right customer audience (individual interviews + attendance to internal group meetings about the brand including 8 to 10 people sales engineers, project engineers, project manager and the regional manager)
- In 2003-2004 with the other local sales teams in the North and the West (meeting with their regional managers + attendance to two group meetings in the North)
- From 2004 to 2005 Individual in-depth interviews with operational teams having sold or having tried to sell the brand and executed some Concertance® contracts with

their local customers. Customers as well as some of the firm's partners (architects, engineering firms) have also been interviewed. The interviews focused on 8 projects (won or lost) to obtain a rich material on their daily practices related to the brand during the commercial, design and execution stages. Each of these interviews was recorded and fully re-transcribed.

- Several discussions and interviews with the marketing director and corporate VP in charge of sales development from 2000 to 2007.

For each interview or group meeting, an individual report was typed based on written notes and/or on the careful listening of the tape. For each of the 8 cases studied, an individual case report was developed and structured according to the stages of the project development. The case study report included all the interviews carried out on that project as well as all the information obtained through secondary sources. It gathered in a structured manner all the information collected on a project.

All these sources enabled us to write a complete story describing in a longitudinal process the various stages of the brand launch, development and appropriation by the firm's employees (Miles & Huberman, 1994). The final "story" about the brand development was sent for approval to the marketing director of the firm in June 2010, amendments made and approval obtained. This immersion facilitated the generation of a 'thick description' which lent itself to an accurate explanation and interpretation of events rather than relying on our own inferences. This emphasised the issue of mean-making. As demonstrated in the work of Clifford Geertz (1971), the symbolic construction of meaning (mean-making process) is something actors always do to make sense of their lives, to deal with what they cannot control. Using Geertz's words, in this case study, we have collected 'fragile webs of stories' told by 'vulnerable actors' in situation that for them was at times difficult but that needed to be understood as part of the social process.

#### IV- INTERPRETATION OF THE CASE

This section focuses on the interpretation of the case linking the data with our research problem. A detailed and complete description of the case is provided in the Appendix.

Through the launch of the brand Concertance®, Spie batignolles managed to modify its organisational culture and identity and to position itself as the company that "creates and shares values with its customers". i.e. as a company that differentiates itself from the dominant adversarial relationships in the supply chain towards partnerial, win-win practices with the key project stakeholders. By so doing, the firm managed at developing a customer orientation within its employees. As illustrated in the next sections, this external customer orientation partly arose from an increased internal market orientation generated by the launch of the brand. The brand enabled the firm's underlying identity grounded in the company's historical practices to come to surface and to evolve from an implicit, partially shared vision to an explicit and shared formulation. This change of organisational identity was made possible by a change of its organisational culture manifested by the new partnerial behaviours exhibited by their employees. However, changing the organisational culture and organisational identity is not a top down process that can be imposed by top managers. It relies on a social construction process (Tsoukas & Chia, 2002) whereby the actors need to identify themselves to the new norms and values in terms of behaviour.

Through the marketing of the brand, top management managed to "crystallize" and to communicate to both internal and external stakeholders (employees, customers, partners, shareholders) its intent to change and adopt new behaviours and habits, drastically opposed to the dominant industrial practices. Then, the brand and more importantly the way it was interpreted and operationalized into various tools, words, processes and attitudes by its employees enabled them to "translate" the brand (Akrich, Callon & Latour, 1988) into their workplace identity (Elsbach, 2004).

This phenomenon developed over several steps detailed as follows:

**Step 1** - At the end of the 1990s, Spie batignolles was sold out to its employees and to AMEC by Schneider Electric. As a consequence, the firm lost its organisational identity as well as the financial security associated to a renowned and powerful multinational. The idea of launching the brand Concertance® partially came from their discussions with AMEC which proved the relevance and feasibility of a proactive offer strategy based on standardized methodologies as well as the need to exhibit positive and stable financial results within the next 5 years (date of

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 $<sup>^{3}</sup>$  = the company's corporate strapline used up until the end of 2010

their planned LMBO). The VP in charge of sales development immediately identified that a brand such as Concertance® could present several advantages for Spie batignolles:

- It could constitute a key differentiating factor on the market -Spie batignolles ranking 4<sup>th</sup> after 3 much bigger French construction contractors-. No major construction contractor has ever adopted a formalized branding strategy in France.
- Its partnering approach enabled to secure the profit margin and was consistent with the firm's historical values (see data vignette 1). In that respect, the VP in charge of sales development could attach a meaning to the brand as it echoed his own experience and convictions.

## Data vignette 1

In parallel to major public infrastructures, Spie batignolles has always had a significant activity in industry. This market positioning favoured the acknowledgement of the importance of the customer relationship as a key success factor. In the late 80s', Spie batignolles identifies that value creation comes from a better project screening as well as a deeper understanding of the customer's objectives and project purpose. As one of the top managers declared: "when I arrived in the company, we could loose all the yearly profit margin on a single project. I rapidly understood that the solution lied in the project itself, being more selective, qualifying the project more thoroughly". At the beginning of the 90s', sales teams were requested be more selective in their sales plans and to deepen their customer's knowledge level beyond the project itself. Customer orientation developed over time with a better understanding of the customer's stakes beyond the project specifications which led them to naturally give some extra added value in the design stage.

**Step 2** – The brand was interpreted by the various local teams differently depending on their own market context and personal profiles. Most teams initially tried to sell the new brand but rapidly gave up, convinced that the new codes of behaviour would not be valued by their own customers and were not required to be successful. They did not identify with the required change. However, three "pioneering teams" were attracted by the brand and its differentiating factor as they saw a fit with the working culture of their own customers (industrial sectors, hotel and leisure business). It is worth noting that at this stage, the manager of the first pioneer teams personally shared the values conveyed by the brand.

The three pioneering teams then went through a process of brand translation to make it their own and to adapt its principles of conduct and action into their daily routine. The brand only started making complete sense when the teams started implementing it and adapting it to the local conditions, to the context of their market. This process started changing the users' perception of the brand as they adapted the belief system within which the brand was used. For example, when they segmented the market, the community of practice developed a better understanding of the market context in which they used the brand and by the same token, the brand itself (interpretive process). The typology of customers that they created can be assimilated to a classification process shaping their vision about the market. In this case, brand translation relied on a long and highly involving process based on several trials and errors, sharing with colleagues about the difficulties met in selling the brand, the customers' reactions, the required behaviours, the various functions involved at each stage of the project development process (see data vignette 2). Some of these employees even enrolled on a 2 year training programme (MBA type) to improve their personal management and selling skills, and better understand the implications of the changes generated by the new brand. The market classification (customer segmentation) then led to the common development of various tools and methods (customer qualification process, sales brochure, sales training programme, project managers training programme etc...) informing and directing their market practices. The motivation of the pioneering teams to exchange about their practices and to share their positive and negative experiences was linked to the fact that the approach generated a lot of interest but also a lot of uncertainty for sales and construction project teams. As mentioned before, the Concertance® approach was very innovative and pushed them to strongly modify their habits and market practices.

Hence, learning about the brand attributes was not sufficient: they had to acquire them to make it their own. It was not enough to talk about trust, they had to inspire it! It was not sufficient to read about the brand characteristics, they had to believe in them and prove this through their attitude and actions towards the customers. Consequently, the brand constituted an identity vector for the members of the community of practice (Wenger, 1998). Some employees who did not believe in its principles actually left the company to work for the competition which was still working in a traditional manner. The brand thus gathered but also divided (see data vignette 2). This clearly corresponds to a social identity categorisation process (Brewer, 1991).

#### Data vignette 2

As one salesman mentioned: "there are true and fake Concertance® projects". Once you start selling Concertance®, it is very difficult to come back and work under the classical approach. You find it boring, it is not an intelligent way of working, it is not personally rewarding... You can not combine the two ways easily... unless you are schizophrenic. This is certainly a limit to the internal diffusion of the brand. People do not like to change habits easily".

As a consequence, the profile of the sales team also evolved. Top managers even decided to hire specific salespeople having no experience in the construction industry to avoid the old, undesired construction habits of their existing sales force.

**Step 3** – The brand was therefore at the origin of several communities of practice in the various territories of the pioneering teams (Wenger, 1988). It became the basis of a shared understanding and sense making within these local communities. It therefore became a collective identity vector between employees scattered in various local units in the firm who shared the "Concertance® adventure".

At this stage, the contractor's top management became aware of the internal power of the brand as a change management vector. They realized that some of their employees actually identified with the brand; it is precisely this internal identification process that made its launch come true. They realized that the brand is not just a device, a framework to attract an external audience (Barrey, Cochoy & Dubuisson-Quellier, 2000) but that it can have a considerable role in enrolment. They also realized that it fostered the development of collective tools and methods and the sharing of best market practices based on the context of each sales. The corporate marketing then gathered these tools and methods building a formalized new reference guide that could be used in the entire company. The implicit knowledge thus progressively became explicit and classified. As such, the brand also acted as a distributed cognition vector (Hutchins, 2000)<sup>4</sup>.

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<sup>&</sup>lt;sup>4</sup> Distributed cognition is a psychological theory developed in the mid 1980s by Edwin Hutchins. Using insights from sociology, cognitive science, and the psychology of Vygotsky it emphasizes the social aspects of cognition. It is a framework that involves the coordination between individuals, artefacts and the environment. It expresses cognition as the process of information that occurs from interaction with symbols in the world. Distributed cognition proposes that human knowledge and cognition are not confined to the individual. Instead, it is distributed by placing memories, facts, or knowledge on the objects, individuals, and tools in our environment.

However, not all the teams identified with the brand and several employees felt as though they were outside this internal community and the internal ladder of prestige associated to it. Spie batignolles therefore decided to formalize its brand strategy and to launch two other brands (Presance® and Performance®) matching the local contexts of the other teams – in particular related to the public sector-.

#### V - FINDINGS

Our case study illustrates how the launch of the brand – a rather common and apparently mundane process in marketing- actually turned out to rely on complex and involving internal processes whereby the firm's employees modified their market representation, created new customer classifications, modified their market practices and habits and formed communities of practice fostering knowledge creation and transfer (Wenger, 1998). These market shaping activities relied on self-identification processes which in turn contributed to reshaping the firm's organisational culture and identity.

At the origin, the launch of the brand was the outcome of a classic differentiation strategy to position a unique offering relative to competition and to emphasize its distinctive qualities and benefits for their customers (Kapferer & Laurent, 1992). Given its originality as compared to the industrial standards, it was mostly meant to signal a cultural change and a new organisational identity to an external audience. However, the external effect was not immediate due to the large gap existing between the declared positioning (as partners codeveloping the project) and the perceived position linked to the industry culture (as contractors answering to bids and working in a dominantly adversarial culture). It actually sounded too good to be true!

Similarly, this declared change was not necessarily enacted and adopted immediately by the internal employees (Tsoukas & Chia, 2002). It required social construction processes whereby the actors could identify themselves to the new norms and values in terms of behaviour.

Our case study has precisely illustrated this internal process of identification (and in some cases, of non identification to the new values conveyed by the brand). Instead of simply asking their employees to modify their practices, the company's top management launched a

brand – a fairly unusual practice in the industry-. The launch of this brand had consequences on the role of internal actors, on their daily practices and routines, on the ways they could be evaluated by their managers (performance metrics) hence raising questions about their identity and legitimacy both internally and externally (customers and partners such as architects, investors, trade specialists...). These vectors illustrate that the brand actually acted as an internal market communication vector -IMO- in the sense of Lings (2004) even though this was not a conscious process. Lings (2004: 409) identifies three behavioural dimensions of IMO with their related activities:

- Internal market research: identity exchanges of value, internal market segmentation, and segment specific strategy, external employees market conditions
- Communications: between management and employees, between managers about needs and wants of employees,
- Response: jobs designed to meet the needs of employees, bonus and salary system, management consideration, training.

Building on Lings (2004), the case illustrates that the brand acted on each of these 3 dimensions of internal marketing. In terms of internal market research, the identity exchanges of values carried by the brand contributed to segment the internal employee market (between those who adopted the brand and those who rejected it). The brand also influenced the consideration of employees by top managers and their career (bonus, salary, promotion...) as well as the training programs. It clearly acted as an internal communication vector communicating the new behaviours, attitudes and market approach that was desired by top management (new strategic positioning).

The launch of the brand generated a lot of debates and discussions on the way it could align with the market but also with their own resources and abilities (technical but also relational skills for example). As the brand was however rather loosely defined, it left room for multiple interpretations and ways to operationalize it. This ability to present different facets to a variety of audiences (Sahlin-Andersson, 1992; Kjellberg & Helgesson, 2006) enabled some of the employees to translate it to their own world so as to fit their own local market conditions. For those that could see a potential alignment with their local market conditions, the launch of the brand generated the employees' involvement in precisely defining the customers to target, the way to communicate to these customers, the appropriate sales and management processes, the managerial functions to involve at each stage of the project development process as well as

the managerial skills and behaviours to exhibit. For example, the brand fostered an internal reflection on customer segmentation. The creation of a typology of customers can be assimilated to a classification process (Azimont & Araujo, 2010). It involved inputs and intense discussions from all the people involved in sales, management and delivery of the project, and the revisiting of their market experiences. This classification has led to a drastically different approach of the sales process with a much clearer targeting process, and a detailed customer qualification process. The classification also required to align these new processes with the managerial functions involved at each stage of the sales and project development process and on their ability to carry out these revised missions. The classification process thus clearly changed their market vision and shaped their market practices accordingly (improved external market orientation). As culture is the result of our behaviour, we can say that this change of behaviour and practices – i.e. the way things are done in the organisation - corresponds to a change of organisational culture. This modified organisational culture influenced the development of a change of Spie batignolles' identity. This is based on the idea that organisational identity is noticeable in the behaviour of the organisational actors and may be viewed through the organisations culture to answer the questions who are we?

Based on this case study, we can see that the brand acted as a symbol, an artefact that gave these employees an opportunity, a rationale for talking about their experiences and practices, and to share and formalize their local based and tacit market knowledge. This highly involving process relied on the creation of internal communities of practices in Wenger's sense (1998). The brand then became an internal identity vector between these geographically spread communities.

#### **CONCLUSION AND MANAGERIAL IMPLICATIONS**

Based on the example of Spie batignolles, we came to the preliminary conclusion that the brand can be more than a marketing tool designed for an external audience; it can actually act as an internal change and market orientation vector relying on an internal identification process. Faced with a strategic issue of repositioning themselves on the French construction market (disintegration from their mother company), the company actually built on the brand to redefine their organisational identity and culture. This relied on some employees' personal

identification processes to the new brand as they contributed to fully develop it and to adapt it to their local market context so as to make it their own. This sense-making process was enabled through the development of internal communities of practice, helping build and transfer local and often tacit market knowledge internally. These communities formed new representations about the market, and the way to act on this market (practices) based on new classifications and thus, contributed to shaping the market. As this process spread throughout the company and that the new values, behaviours and attitudes carried by the brand became more widely accepted within the internal communities, a new cultural frame of reference started to emerge around the idea of partnerial relationships with external stakeholder and in particular with customers. This new organisational culture reinforced the development of a new organisational identity.

This paper thus confirms the federating power of the brand (Dacin & Brown, 2006) but goes further to suggest that this federating power not only concerns individual customers as suggested by Arvidsson (2005) but also individual employees working in the same organisation. In that sense, branding can be considered not only as a marketing activity but also as a management and leadership practice. Branding is then viewed as an exercise in management of meaning, informing organisational members about the values of the organisation (Kärreman & Rylander, 2008).

The federating power of the brand in turns can lead to the creation of internal communities and foster knowledge transfer. This seems particularly relevant in service-oriented companies such as construction firms characterized by a decentralized structure to adapt to local conditions or to optimise the efficiency on single projects (Dubois & Gadde, 2001). In such firms, each geographical unit typically cumulates a lot of knowledge drawn from localized experiences and know-how but this knowledge is rarely transferred at the company level (Dubois & Gadde, 2001). As mentioned by Björkegren (1998), the decentralized structures of most construction companies inhibit knowledge transfer and experience sharing from one project to another. In such firms, the brand could act as the artefact stimulating the creation of internal communities willing to share their tacit knowledge and able to transform it into more explicit and transferable knowledge (cognitive power of the brand). In marketing, these findings can be related to the services marketing triangle proposed by Kotler (1994) made up of a triad of marketing relationships: external marketing i.e. relationship between the customer and the firm; interactive marketing i.e. relationship between the customer and the

employees and internal marketing i.e. relationship between the firm and the employees. It confirms the positive relationship between internal market orientation and external market orientation (Conduit & Mavondo, 2000; Lings, 2002).

The paper also suggests that this federating power seems all the more important that the brand leaves room for multiple interpretations and translations by its various audiences (Kjellberg & Hegelsson, 2006). If too narrowly and strictly defined, the brand may limit the ability of agents to make it their own, to translate it into their own world or environment and thus to identify to them. This would confirm what K. Sahlin Andersson (1992) referred to as an 'ambiguity strategy' so as to enrol a large number of potential stakeholders.

This paper thus clearly argues that the brand can also be regarded as a social construction and not simply as a functional tool for marketing managers targeting a reactive audience. We have shown how the brand can be interpreted and constructed by organisational members and how these representations or constructions support the processes of organisational identification. In our case, the brand seemed to have a more important role internally than externally.

This study highlights the need for further empirical research to examine the internal role of the brand in various contexts and in particular its capacity to grasp organisational phenomena.

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#### APPENDIX - THE CASE STUDY

Spie Batignolles SA ranks as the fourth largest construction company in France. With approximately 9000 employees, SB's turnover reached € 1.7 billion in 2009. The company is mainly involved in the industrial, environmental, building and infrastructure markets, with particular technical expertise in underground works and special foundations. It targets both public and private clients.

3.1. The history of brand development in Spie batignolles: organisational culture and identity Spie batignolles has both a technical and a relational heritage (customer orientation) which forms the basis of its current business model.

A technical heritage - The construction of major infrastructural works, dams, subways, pipelines, the Channel tunnel form a technical heritage which historically positioned the firm among the leading construction companies in France. Several values are associated to this heritage:

- Technicality, competence, experience in project management
- Commitment culture to face key human and technical challenges
- Autonomy and responsibility
- Pride for the job and the industry.

Customer orientation (relational orientation) – In parallel to major public infrastructures, Spie batignolles has always had a significant activity in industry. This historical anchorage favored the acknowledgement of the importance of the customer relationship as a key success factor. At the time, the main company goal was to stabilize the profit margin and avoid scattering resources answering to all the bids.

In the late 80s', Spie batignolles identifies that value creation comes from a better project screening as well as a deeper understanding of the customer's objectives and project purpose. At the beginning of the 90s', Spie batignolles started to prioritize the customers in its portfolio. Sales teams are more selective in their prospection plans and deepen their customer knowledge level beyond the project itself. Customer orientation develops over time with a better understanding of the customer's stakes beyond the project specifications which leads them to naturally give some extra added value in the design stage.

#### 3.2. A pioneering brand: Concertance®

In 1997, the Schneider group divests from Spie batignolles and the company is partly acquired by the British firm AMEC SA (46%) and partly by its own employees (54%). The project selectivity strategy is reinforced by the need to exhibit good financial performance for the new shareholders. Hence, Spie batignolles is encouraged to formalize its technical and relational heritage and to operationalize it through a proactive marketing approach. Among the strategic insights fostered by AMEC, Spie batignolles' teams draw two main ideas:

• The possibility to develop a product/offering strategy in project business based on AMEC successful experience in engineering activities.

• The possibility to formalize and value a partnering approach towards customers, consistent with their cultural heritage.

# 3.2.1. Concertance®: main principles

Launched in 2001, the Concertance® approach lies on a simple fact: the maximal potential for value creation in a project lies very upstream of the call for tender i.e. during project design. Concertance® therefore offers to work as a project team with the customer and its key partners (designers, financial providers...), so as to commonly develop the best project at the best possible price. The project function (its usage value) is central to the method. The main goal no longer is to build a project but to build a useful and efficient project. Once the design stage completed, the customer is free to contract with a competitor for the construction stage. If Spie Batignolles wins the construction deal, the project manager involved in the initial stage will follow up its construction respecting open book principles and specific organisational transparency procedures.

## 3.2.2. The development of Concertance®: the creation of a community of practice

Spie Batignolles developed, packaged and promoted its Concertance® brand through several steps as they did not immediately identify the right marketing mix for their internal and external targets.

In 1999-2000, the strategy and marketing manager designs a first brand based on the adaptation of alliancing principles drawn from AMEC to the French market. This first brand mostly entails a contractual scheme and is sent to the sales team in the form of a "big white folder" with one goal: "just sell it". All the units then make a genuine effort to promote the brand towards their customers both in public and in private markets. The first positive outcomes are experienced at this time. For example, Spie Batignolles TPCI manages to unblock a tunnel project through the Concertance® approach; the project generates a 12% cost reduction as compared to the target price. A Scottish investor selects the method to build its luxury hotel in Monaco for its capacity to cope with the project evolution over time and to guarantee a fixed delivery delay. However, in spite of these success stories, the dominant reaction of sales teams remains relatively negative: the format and style of the sales guide comes across as too conceptual, the contract too complex to be sold. The change dynamic is not generated. From there on, most sales teams forget about Concertance®, put the folder on their shelves, and continue doing "business as usual" convinced that the headquarters would soon realize their mistakes and forget about all this too.

However, the manager of one business unit based in South-East France decides to try to develop Concertance® and to sell it locally. With a double degree in engineering and in business (MBA), he sees in this approach a real opportunity for differentiating their offer from that of local competitors. He also intuitively feels that some of their biggest private customers – in particular in the industrial and tourism sectors – could be attracted by this method.

The local sales teams try to sell Concertance® but are soon faced with the lack of realism of the method provided by the corporate guide. They realize that the approach is not adapted to all the customers and requires a precise targeting as well as more elaborate sales and marketing tools to convince the customers. "At the time, we had no sales kit, no power point presentation, no brochure, nothing except a thick contract!"

The manager then decides to launch an internal reflection so as to better identify the target market adapted to this brand. With the support of an external consultant, they carry out a detailed analysis of various projects during several meetings (involving the sales team, project managers, sales manager, pricing engineers), and come up with a first customer segmentation enabling them to identify the target customers for Concertance®. The team then develops its own marketing and sales tools. They formalize the way to present and talk about the brand at each stage of the sales process and whom to introduce at each stage. They create a power point presentation with specific attention to the wording including graphs and tables. They also collate a "home-made" brochure for their prospect customer that can be "understood" both internally and externally. Some employees are enrolled in an external management programme to support the process. The report of one these employees illustrates the emergence of a community of practice in the local team (Wenger, 1998) formed around Concertance®: « I would like to thank P..., but also A & B for the numerous discussions and debates about Concertance®.... This enabled us to become the test platform of a new project development mode within Spie Batignolles ». The development and adaptation of Concertance® thus progressively becomes the output of a community of practice of these internal pioneers.

## 3.2.3. Exchange with other business units in the North and South-West

In parallel, the manager of this local southern unit and the newly hired sales development manager of the Northern area start exchanging on their business experiences around Concertance. They have a similar customer base (industrial customers) and share an identical vision about the corporate support provided. They start exchanging information on their local practices giving each other advice. Based on these informal discussions, the Northern manager decides to also launch a segmentation of their local market (May 2002). The two local teams start transferring their tools (power point presentations, brochures ...).

Soon after, a third team located in the south-west France also joins the discussions to promote this approach towards Airbus (for the A380 projects). The augmented team of the three local business units little by little consolidates their knowledge and experiences. The first team transfers its power point presentations and brochures to the others who start modifying them based on their own customer reactions, and internal perceptions. This generates a lot of questions, exchanges, and internal debates among the three teams. The tools are being consolidated; the vocabulary becomes more precise and serves as a reference base. The community of practice around Concertance® gathers new members. In order to develop its sales efficiency, it formalizes its sales process and tools more and more precisely with a rigorous vocabulary, usage of tools at each stage of the sales process and in the overall attitude to exhibit. The conditions under which a project is considered as adapted to Concertance® are also identified more precisely.

## 3.2.4 The formal branding of Concertance® based on these pioneering practices

At the beginning of 2002, the company prepares its future LBO (Leverage Buy Out). The shares held by AMEC and by the employees are sold to the 78 major executives and to a private investor (Barclays Private Equity France). A major consulting firm carried out a complete audit of the company and formally acknowledged the value of the brand Concertance®. The managing directors then realized for the first time that a brand could increase the value of their firm. These audits as well as the positive and stable margins generated by Concertance® push top managers to set high sales objectives for Concertance®

for the next 5 years. A new Development & Marketing department is created, a new marketing manager appointed. His role is to launch a formal branding strategy, consolidate the internal practices about Concertance®, formalize them and promote them internally. The new marketing manager decides to modify the existing organisation around some brand managers.

The newly appointed Concertance® brand manager is in charge of collating the existing material and of creating the new reference guide to sell the brand. He decides to work with the same consultant that supported the pioneering teams so as to capitalize on this preliminary knowledge and experience. Several meetings are organized in the North and in the South to compile this shared experience and formalize common tools that could be spread to the other units in Spie batignolles. A general segmentation and targeting methodology is formalized based on several qualification criteria on the customer and on the project. Also, several sales support tools are developed at this stage:

- An official brochure created with the help of a communication firm. This firm will also create a logotype for Concertance® which marks its official internal recognition as a brand. The brochure formalizes the "official vocabulary" and simplifies the existing communication to make it more straightforward, and easier to understand.
- A power point presentation.
- A list of common objections and their respective answers.
- A video with customer testimonials.
- A list of customer references.
- A two-day sales training programme based on detailed case studies is developed to train the salespeople in selling Concertance® and qualifying the customers' openness to such an approach.
- An internal journal is created as well as an external journal dedicated to the brand.

Based on all this material, the new "Concertance® sales guide" is officially launched at the end of 2003 during a big convention. The success of the first Concertance® projects is largely communicated internally and the pioneering teams who accepted to promote it are given a lot of positive press internally from top management. They are formally invited to share their experience in the annual global conventions and to help train the other teams; the internal newsletter and magazines congratulate their efforts and success ...

Over time as more and more Concertance® projects are sold and executed, the localized knowledge accumulated during the execution of the Concertance® projects by the project managers and the construction staff is also gathered at the corporate level. This category of employees and in particular the project managers actually request a specific training program from the headquarters, advocating that while the sales staff has been well trained and equipped with several tools, they are lacking some more formalized support. They also request to meet more regularly to exchange about their practice so as to avoid falling into the same traps that their fellow colleagues have already experienced. They request for example to understand how "transparency with the customer and the other stakeholders" can be operationalized in their daily activities. Are there existing processes and methods to share potential savings with the customer based on cost-reduction-innovations on the site? How often should they meet with the customer and other project stakeholders and who should be involved in these reviews? The Concertance® brand manager thus decides to develop a specific training program and training "package" using a similar approach as the one adopted for the sales and marketing staff. He interviews several project managers and gathers them to

identify their training needs. In order to design specific cases and training material, he starts (with the help of a training consultant) collecting their feedback, experiences and project-based practices developed while executing Concertance® projects. This local knowledge is progressively collected, shared, summarized, and formalized in the form of training cases and specific tools.

Based on the success of this first brand launch and acknowledging its capacity to motivate and stimulate their employees to learn, share their experience and continuously improve their practice through regular adjustments and innovations, the contractor's top management decided to launch two other brands. The second one launched in September 2003 called Presance® targets small projects (renovation, maintenance, or small projects) requiring a strong reactivity and proximity to the customer. The last one called Performance® was launched in October 2008 and aims at differentiating Spie batignolles when the firm answers a call for tender and is therefore not in a position to add value in the design stage; their differentiation factor is then based on operational excellence (Treacy & Wieserma, 1993). Similarly to Concertance®, this brand has been designed by several internal pilot groups which role was to identify a common basis of "ideal practices" (methods, behaviours, tools etc.) that could be converted in common brand commitments. Twenty pioneer teams tested the brand before its formal launch. 60 pioneers went through a train the trainers programme to internally promote the brand and its commitments. They trained approximately 1000 people in less than a year.