DEVELOPING ‘THE FLEXIBLE CORPORATE RETAIL BRAND’ THROUGH ADAPTIVE AESTHETICS AND ATTRACTIVE PHYSICAL ENVIRONMENTS

ABSTRACT
Developing attractive physical retail environments is essential to maintain traditional shopping experiences which encourage social cohesion. Usually, retail brands use the same standardized designs to help consumers recognize the brand. However, this approach can lead to unattractive retail environments, which is likely to encourage on-line shopping and exacerbate the demise of the high street and shopping malls. A considerable challenge is to develop an attractive retail brand that can be recognized by consumers, but can also be modified to flexibly fit into changing local environments. We contribute to the theory of the flexible corporate retail brand by discussing the notion of folding the retail outlet into its changing local environments to balance continuity and renewal in corporate branding. We present a case study, MPREIS supermarkets, to highlight how attractive retail environments can be created through adaptive aesthetics. The case highlights a break with the established logic of standardized design of physical spaces within the retail sector. We finally discuss the implications of developing a flexible corporate retail brand through adaptive aesthetics for theory and further research.

Key Words:
Balancing continuity and flexibility, brand folding, adaptive aesthetics, self similarity, environmental integration

Acknowledgements
Introduction

While on-line shopping is expected to grow considerably, purchases may continue to be made in physical stores (Kahn, 2017). Consumers like shopping in physical stores especially when they need to see the produce, such as when purchasing fresh food, and to socialize. On-line shopping may be changing the retailing landscape, but is unlikely to be able to reproduce completely what physical stores provide. However, an omni-channel retail world is introducing much more competition. So physical stores need to be more attractive to encourage consumers to leave the comfort of their homes to shop.

Much of the prior research into the attractiveness of physical stores focuses on retail agglomerates or clusters (e.g. Nevin & Houston, 1980; Öner, 2017; Teller & Reutterer, 2008). Theorizing around the attractiveness of one retail agglomerate over another has highlighted several factors taken into account in consumer decision making. The gravity model was an early example of theory building attempting to model consumer choice of shopping center, based on size and distance required to travel. However, several limitations were noted (see Huff, 1962), so researchers then started to investigate other drivers of retail attractiveness such as image (Nevin & Houston, 1980) and atmosphere (Teller & Reutterer, 2008).

While there is some renewed interest in investigating attractiveness within retail agglomerates from a consumer perspective, the research offers only partial advice to managers attempting to build attractiveness into individual retail store brands. In contrast to the need to build attractive retail environments that fit with the local surroundings, managers have been historically informed by the positioning and branding literatures alike, that consistency is a core principle of competitive positioning and branding decisions (Keller, 1993; Kay, 2006; Keller, 2008; Kapferer, 2008). A common contention is that
brands grow over time only when they remain consistent in their positioning and brand meaning to consumers. Consistency in branding, as Kay (2006) points out, is increasingly difficult to maintain, especially when firms operate in global hyper-competitive markets or possess large branch networks. In these situations firms are likely to have to compete with different competitors and have to address different customer needs in different locations. While the presence of these factors point to the need for flexibility, it presents managers with a dilemma. The need for flexibility may undermine consistency and therefore brand recognition. It is perhaps not surprising then, that managers have built consistency and standardization into retail stores rather than considering modifying aesthetics and attractiveness to different local situations.

Commercial environments have become fragmented, unstable and dynamic (Firat and Venkatesh 1995), which requires brands to morph into various changing social contexts (Kates and Goh, 2003). So brand management is increasingly seen as an evolving process of ensuring consistency, but also embracing innovation and change (Merrilees and Miller, 2008; Christensen, 1997). Thus, sensitively balancing brand consistency and the need for flexibility is to be a core strategic issue in brand leadership and management. If in this new retail landscape, brand meanings are co-created by on-going interaction (Brown, Kozinets and Sherry, 2003) and are in a state of flux (Cornelissen, Christensen and Kinuthia, 2012) managers have to contend with some loss of control. However, we need to know how brands can be managed in a consistent yet flexible way. Currently, there is a lack of research into how managers can accomplish this task and current advice is to maintain consistency so ensuring inflexibility.

Our major aim in this article is to take up a considerable challenge; to address how managers can develop an attractive retail brand that can be recognized by consumers, but can also be modified to flexibly fit into changing local environments. We introduce the
concept of folding to enable flexibility. Brand ‘folding’ in this sense is a metaphor to enable managers and scholars to think of the existence of a fluid boundary between the brand and its different social contexts. By considering ‘folding’ or ‘the inside as the outside folded in’ (Deleuze, 1988; Weiskopf, 2002) we highlight the possibilities for firms to manage the consistency of brand meanings in a flexible way. In doing so we explain how to fold outside social contexts into brand meanings to achieve flexibility and to simultaneously enrich the social contexts through association with a consistent brand identity.

The remainder of the article is outlined as follows. We firstly outline prior conceptualizations of the brand and how different perspectives impact on consistency and flexibility. Secondly, we introduce the principle of ‘self-similarity’ to enable consistency of brand meanings to occur and the concept of brand ‘folding’ as means to increase brand flexibility. We develop our arguments in the context of retail branding and next present our method and a case study example to highlight the detailed use of self-similarity and folding to help understand the complexity of implementing our ideas in retail branding. We conclude our article with a discussion of the implications of our research for the future.

**Conceptualizations of the Brand: Implications for Consistency and Flexibility**

De Chernatony and Dall’Olmo Riley (1998) outlined different definitions of the terms ‘brand’ and ‘branding’. They introduced twelve main categories of brand definitions. These definitions depict brands in terms of brand metaphors, such as brands personalities; functions of brands; brands as legal instruments; and definitions that reflect researchers’ views of what brands encompass, such as brand image or identity. In a similar vein, Louro and Cunha (2001) present a comprehensive framework of different branding paradigms, categorizing them along two dimensions, brand centrality and customer centrality. The
brand centrality dimension reflects the extent to which brands are seen as instrumental for selling a product, or alternatively seen as strategic, guiding company processes and actions. The customer centrality dimension revolves around the consumer involvement in processes of value creation. In doing this, Louro and Cunha (2001) have nicely carved out the main issues in the branding literature.

Such early prior research informed two main debates. One debate considered whether brands are primarily determined by their materialized form, the product, or their intangible strategic qualities. However, this debate largely ended with an increased focus on strategic issues in branding so the ‘brand as product’ view has largely ceased to inform current debates.

Another main debate was centered around the issue of control (or lack of control) of the brand. The brand was portrayed as an identity developed out of firms’ visions and self-definitions and the brand identity literature emphasized a resource-based view defining the essence of a brand from a company perspective (Kapferer, 2008). From such a perspective brand managers were thought to exercise considerable control of brand meanings largely through communication such as advertising (e.g. McCracken, 1986)

More recent research, however, suggests brand identity is co-created with several stakeholders in social discourse and relationships so managers have much less control. While, more recent research posits that brand meaning is co-created (Berthon, Pitt and Campbell, 2009; Brown, Kozinets and Sherry, 2003; Pitt, Watson, Berthon and Zinkhan, 2006) neither managers nor consumers may control branding processes according to Schroeder (2005). Cultural codes in society contribute to, and constrain, how brands work to produce meaning (Schroeder, 2005) so another facet needs to be considered; popular culture with which brands resonate.
Another major debate, in retailer branding in particular, revolves around the issue of brand aesthetics. Kozinets et al., (2002), Carù and Cova, (2007), for example, argue that retailing increasingly relies on aesthetic sensory experiences and the help of symbols and images derived from popular culture and mass-media advertising (Gottdiener, 1995). Retail spaces may be viewed as signifying objects which carry meanings, and may be purposefully constructed to convey meaning. Themed environments often convey strong meanings related to cultural contexts so they have been widely used to strengthen symbolic meanings associated with retail outlets (Kozinets et al., 2002).

In relation to developing the flexible brand in a retail context two main issues emerge from the above review of prior research. One, brand meanings are co-created so managers have to contend with some loss of control but brands need to be managed to flexibly adapt to various contexts taking into consideration appropriate cultural codes that may be different in different localities. This issue is very salient for retail firms with a large branch network operating in various different localities. Two, aesthetic experiences may be used in retail outlets to convey brand meanings to consumers but it is challenging to consider how this can be done to achieve both consistency and flexibility.

To advance understanding of how managers can achieve both consistency and flexibility we argue that there is a need to consider the brand from a Gestalt perspective. In a branding context Gestalt refers to principles of unity, producing aesthetic systems that resonate in the environment (Deichsel, 2006). Deichsel (2006) views brands as Gestalt systems, sociological entities that bind to consumers. It is the objective of these Gestalt systems to continuously strengthen its structure and ‘genetic code’. The Gestalt principle of branding as depicted in the literature introduces interesting recommendations for brand sustainability, such as the principle of self-similar reproduction of the brand Gestalt, or dynamic stability.
More recently, theorists highlight the role of various stakeholder interest groups and envisage that brands are in a constant flux (Cornelissen, Christensen and Kinuthia, 2012). In terms of brand consistency and flexibility Mühlbacher and Hemetsberger (2008) discuss core and peripheral meanings, and manifestations. Therefore, their conceptualization suggests that brands need to reflect the core meanings to reflect a stable and consistent element of branding. At the same time this gives managers the opportunity to alter peripheral meanings and manifestations to create flexibility to adapt to different interest groups. However, the main problem with this approach is that it is difficult to define which meanings are to remain core and which are peripheral. In some contexts the core meanings may not appropriately fit with the external conditions so creating problems. What is required is a more socially integrated approach to the consistency/flexibility problem. We develop such a new approach to build the flexible brand based on creating rich brand meanings through multiple social associations. In doing so we extend current branding theory by developing to the notion of ‘folding’ (Deleuze 1988) into brand leadership and management.

**Towards a theory of brand flexibility - brand folding**

The concept of brand morphing (Kates and Goh, 2003) seems to fit nicely into a complex social view of brands through emphasizing the chameleon-like quality of brand meaning in different social contexts. In more fragmented societies, multiple cultural codes exist. These codes, or shared culturally associations and expectations are available to diverse groupings of consumers for their interpretive purposes (Hirschman and Thompson, 1997). Morphing implies that brands become inscribed with local meanings associated with a community or social grouping. Brand meanings therefore change across different locations and anchor the brand in a specific context (Kates and Goh, 2003). Rindova and Kotha (2001) define
morphing as activity that bestow an organization with the strategic flexibility and dynamic
capabilities that enable it to evolve into a very different type of organization in a relatively
remain unclear about how brand morphing could actually be implemented; how and to
what extent brand manifestations need to be adapted as well; what elements of a brand
should be kept constant.

*Gestalt* theory has introduced another important concept of flexibility in branding, called
self-similarity. Although *Gestalt* principles are very strict in its emphasis on unity, proto-
typicality, a fixed *Gestalt*, self similarity implies constant processes of iterative
reproduction and development, novelty and timelessness. Brands are ‘living’ entities thus
are in a constant flux, however within strict *Gestalt* principles. Self-similarity actually
strengthens perceived unity but is nevertheless characterized by constant repetition *and*
variation, which means a modification of existing, or addition of new elements and
relationships. This way, self-similarity permits the continuous necessary adjustments of
aesthetics over time (Domizlaff 1992, Otte 1992, Deichsel 2006). Otherwise, irritations
occur, the *Gestalt* departs from its originality and develops into something different
(Deichsel 2006). The *Gestalt* approach towards branding provides interesting insights into
issues of continuity and flexibility of brands. It suggests a continuous and slight adaptation
to environmental changes, almost invisible at first sight. Domizlaff (1992) and others (Otte
1992, Deichsel 2006) emphasize the leading role of management yet, they also devalue its
assertiveness in that they emphasize the self-standing character of a brand; a sociological
entity of ontological reality, a powerful energy system. Leaders are here to serve the brand
with self-similar adaptations and innovations.

Mühlbacher and Hemetsberger (2008) add to this through their idea that brands not just
need to adjust its meanings and manifestations, but also its relevant groups of stakeholders
who are interested in the brand (Schroeder, 2005). This idea is somewhat radical as it integrates culture, the wider public in the brand. In an attempt to contribute to this academic discourse, we like to introduce the sociological concept of folding, based on the works of Foucault and developed by Deleuze (1988), into branding literature.

Deleuze (1988), drawing upon Foucault (1998) has radically questioned dialectical views of ‘inside’ and ‘outside’, and boundaries of organizations. Deleuze (1988), references Foucault’s fundamental idea of transgression, which basically means losing our fixed identities, re-forming our relations to our self and others. With the notion of transgression, Foucault (1998) portrays the individual as being both limited and open to possible transgressions. While conventional thinking suggests the existence of a line, a clear boundary between what is ‘inside’ a system and what is ‘outside’, Foucault and Deleuze radically question this assumption and introduce the idea of an intervening space. This ‘intervening space’ where outside and inside are intermingled and indistinguishable has been given the notion of a fold, where elements of the outside are ‘folded in’ the inside (Deleuze, 1988, Weiskopf, 2002). Using his metaphor we may contend that a brand can ‘fold in’ the environment and the environment can ‘fold in’ the brand space of a company. Thereby, a strategic zone of paradox and contradiction, of contestation is built that forces an organization to incorporate the outside in its thinking and acting. Folds are dynamic and organizations ‘manifold’ (Weiskopf, 2002). The relative stability is provided by the strata, which are historical formations that have formed over long periods of time. Contrary to the notion of core and periphery of a brand, the folding metaphor introduces the idea of a discursive zone between the company and its environment, instead of an artificial boundary. Folds are amoebae-like structures of flexible, adaptable zones of social discourse among a brand and those, who are interested in a brand. What the folding metaphor has in common with the Gestalt approach is its assumption that stability stems
from historical development of an organization/brand. It enriches the *Gestalt* approach in that it introduces a *zone* of contestation. By folding, brands not just flexibly adapt to the environment in its specific pace and vice versa; they also open a zone for constant public negotiation and development of brands.

We outline a case of idiosyncratic retail branding so as to demonstrate how brands can develop a strong core which flexibly adapts its *Gestalt* to externalities through what we denote as self-similarity and self-energising, including an integrating and a provocative ‘folding’ element in branding.

**MPREIS - The case of a balanced market-driving food retailer**

**Data Collection**

Data for the case has been collected by one of the authors over a 21 year period from spring 1997 to present and will continue in the future. The applied methods included

- personal interviews with owners, top executives and employees of the company,
- personal interviews with customers, contact-personnel of supermarkets, other stakeholders, such as architects, competitors, suppliers
- continuous observation of the workshops and board meetings for the development of the new brand identity and derived group projects for the step by step implementation of the new strategy
- reflection and discussion of strategy documents, e.g. power-point presentations with involved consultants
- observation – photos – of specific implementation events, e.g. openings of new or refurbished supermarkets, training modules
- participation in whole scale events where the main contents of the new MPREIS brand have been presented to audiences of 200 hundred staff members and other stakeholders

- market research studies, which investigated the resonance of the new strategy over time

- press – review, advertising material and secondary sources, e.g. the historical analysis of the MPREIS company

Data Analysis

The collected data were studied by the authors and a consultant to become intimately familiar with the new brand identity strategy and its subsequent implementation. The main dimension for independent in depth investigation was derived from the research question “How can renewal be inherent in the brand concept on a strategic and daily business level”? The access to this variety of longitudinal qualitative and quantitative data supported the uncovering of novel insights and convergent observations around the main research question (Eisenhardt, 1989). Within-group similarities of emerging new insights coupled with inter-group differences are described and reflected in the following sections. The first section summarizes the main elements of renewal of the present manifestation of the MPREIS brand. The second section covers the development of the new brand identity strategy focusing on inherent renewal. The third section demonstrates selected examples how inherent renewal processes materialize and resonate in daily business.

MPREIS’ contemporary manifestation

A food retailer that has been described by the fashionable London magazine Wallpaper as “a seriously sexy supermarket” or according to the supplement of the Süddeutsche Zeitung as “the chicest shops to buying food and fresh produce”. A food retailer with continuously
adapting aesthetic outlets are repeatedly featured in respected architecture magazines, and were represented at various international culture and art events, e.g. the 2004 Venice Architecture Biennale. A food retailer who has a waiting queue of retail delegates from Canada, Japan and New Zealand who are eager to look behind the curtain of the MPREIS mystery. A food retailer whose delicately modified sausage wrappers keep on stimulating thought, are a source of enduring amusement, and are even collected by devoted fans. MPREIS is representing attractive distinctiveness, which continuously creates strong resonance and new brand energy.

The supermarket retail sector is generally characterized by strong competition on price, and by standardized, prefabricated architecture. MPREIS took the decision to break away from this format, and leave received wisdom about organized food retail behind. It challenged the notions of pure price orientation and standardized presentation.

It took on board the concept of pre-sensed aesthetics and applied it to the exterior and interior design of all new or converted sales premises. The new MPREIS outlets have thus become a sort of aesthetic sensual experience to brighten up our daily routine. The shopping public have endorsed the modern and refreshing character of MPREIS stores. MPREIS supermarkets are increasingly exercising a magnetic effect. Market research confirms that this brand enjoys more popularity and sympathy, and gets more customers through its doors, than any of its competitors (Brand Logic Spectrum, 2005).

From a prototypical retail strategy to the development of a new strategic concept

At the beginning of the 1920s, Therese Mölk opened her first general merchandise store in the city of Innsbruck in Tirol. By the 1960-ties the company had grown to 30 shops characterized by early adoption of the starting self-service concept and low price orientation. In 1974 the third generation took over and the first shops were altered
according to a new evolving concept which was based on a discount philosophy. The name Therese Mölk was changed into M-preis which should avoid negative associations with the outdating image of Therese Mölk’s general merchandising stores. M stands for the abbreviation of Mölk and -preis for the new discount oriented appearance and low price focus of the new stores. Step by step Therese’s Mom-and-Pop grocery stores were substituted by the next generation of M-preis discount-supermarkets. This led to a rapid increase in turnover. Within the next twenty years the competition between discounters like Hofer, the Austrian Aldi daughter, Lidl, as well as between discount oriented supermarkets such as Billa and Merkur – today part of the German REWE Group, SPAR and ADEG heavily increased. As a consequence, Hansjörg and Anton Mölk started looking for a new way to differentiate the MPREIS brand from the other food retailers. The stimulus came from an architect who encouraged Anton and Hansjörg Mölk to consider aesthetics as a potential meaning to oppose the converging appearance of the alternative food retailers in Europe.

The fundament of the unfolding success story of MPREIS was made possible by a process of identity seeking, the aim of which was to fashion something quite unique and which allows at the same time to balance the continuity and renewal of the main facets of the brand. Top-management worked patiently with staff from different operating spheres within the organization to develop a shared mental picture about the future identity of MPREIS; proprietor Anton Mölk: “We were fascinated by the idea to reveal a socio-cultural concept of aesthetics which could form a unique and dynamic brand identity at the same time”. Figure 2 contains the core meaning and the central benefits provided to customers and other stakeholders of the MPREIS brand identity.
Figure 2 shows the embeddedness of MPREIS’ socio cultural core meaning in its main perceived benefits which the MPREIS approach provided to its various stakeholder groups. Three of the main benefits intended to provide deal with the main attractor of a supermarket besides location, the assortment and its presentation. “Variety and Exclusivity” signifies a high variety of national brands and the desire to jointly develop in each product category one or two exclusive relationships with suppliers. This intention can be nicely linked into the benefit of “Nature and Regionalism”. There the focus is on organic and small scaled business enterprises from the region of Tyrol although (exclusive) relationships with attractive guest regions are considered as well. All food products and produce are required to combine freshness and taste at a certain minimum level. “Interaction and Partnership” stands for an active integration and reflection of stakeholders into the development of aesthetic stores, assortment categories or particular product decisions and there presentations. The crucial steering mechanism and filter for all future decisions and design of interior and exterior store elements, the assortment and its presentation, particular services provided can be found in the core meaning of MPREIS “Relaxed Food-shopping in Pre-sensed Aesthetic Store Environments”. To come up with a shared mental picture about the phenomenon of pre-sensed aesthetic store environment and
its impact on relaxed food-shopping the construct was specified and seven strategic principles were formulated. They act as reference points for the external architecture and internal design and merchandise presentation for architects and shop lifters. Pre-sensed Aesthetics was characterized as all sensually perceivable elements of a MPREIS supermarket, which contribute to a contemporary and beautiful appearance of the brand at a particular location and offer a relaxing shopping- and selling-experience to customers and employees.

“This concept and our derived strategic brand principles should allow us to create a shopping environment which continuously enriches the perceived quality of life of shoppers and employees at the same time”, declares Anton Mölk.

Figure 3: The Seven Principles of Pre-sensed Aesthetics

1. Modern and empathetic architecture – mirroring the spirit of time and releasing the peculiarity of the landscape at a specific location
2. Freedom concerning sight, motion and interaction for employees, customers and visitors
3. Calm and harmonious appearance and imagery
4. Sensuality through artful internal design and staging
5. Functional, light, not tacky and valuable materials
6. Minimalism – concentration on the essence
7. Tidiness – nothing disturbing the overall appearance

Principle one emphasizes the forefront move and future orientation in external and internal architectural design and its environmental integrative approach at the same time. The creation and design of the new building allows it to unfold into the landscape at the same time. Principle two focuses on the formation of a platform which facilitates the communicative and multisensory interactive character between involved actors and actresses, e.g. employees, consumers, visitors, suppliers or other stakeholders. Principles
three to five express the desire of a stimulating and relaxing atmosphere at the same time. Flooring, lightings, shop fittings, presentations of merchandise are harmoniously composed of valuables and light materials and colors. Principle six and seven pay attention to the fact that visitors and employee should not be distracted from the essence of the shopping experience – the appreciation of the aesthetically presented merchandise and personal contact behavior. These characteristics and principles allow MPREIS leaders to continuously challenge their architects and designers to reflect the Zeitgeist of the time in their work without loosing themselves in endless creativity. Hansjörg Mölk, owner, argues that: “This way MPREIS moves away from the assumption that a brand is recognisable through uniformity. MPREIS trademark becomes the variety of different ways the external architecture and internal design is expressed. Each store is designed especially for its location, but through their common understanding of pre-sensed aesthetics it is still recognizable as the MPREIS brand” (www.trendsides.com/go/14083). The following sections give some insights how the core meaning, its principles and the connected central benefits are managed in daily business at MPREIS.

**Brand folding - main themes and particular outcomes**

1) Pre-sensed aesthetic architecture

Gone is the large, closed-box, concrete bunker mentality that ensures most stores are totally isolated from their surroundings. Gone also is the readily recognizable corporate branding that ensures all stores look alike. For the MPREIS chain, designing a new supermarket is all about creating a destination which transcends the strategic dimensions of its brand identity and the seven principles of the Pre-sensed Unfolding Aesthetics. The process starts with the selection of the ideal location. At this site there ideally exists potential to unfold the richness of the natural environment, e.g. the evolving cosmopolitan flair of a quarter, the impressive sight of the mountains, closeness to a river, the beauty of
the nature. In the next step the first version of the new outlet is designed by the most appropriate architect. The selected architect engages in a empathetic interaction with the particularities of the new location. In this iterative process he/she tries to generate a solution which reflects the content of the seven principles and enriches the appreciation of the specific environment. Hansjörg Mölk states:

“In the meantime MPREIS has commissioned more than 30 different regional, national and international architects to design stores – the major brief being to make each store an individual design according to the brand identity and the derived strategic principles and as a response to a particular site. The result is a collection of buildings that pursue a better fit with the landscape and open up to the spectacular Tyrolean mountain scenery”.

Material aesthetics as a way of materializing sensory and experiential brand promises. When we talk about aesthetics we tend to think of something beautiful, well-shaped and exclusive. Whereas beauty is in the eye of the beholder, aesthetics is more than beauty; it is the impression of authentic coherence, something that feels right exactly as it is. Similar to what Björkman (2002) has called an aura, aesthetics is all about the shimmer and charisma of an object or an individual. Björkman contends that aura is a social construction of society and needs a certain kind of attitude in which a creator or an artist plays an important role. As people ascribe such a creator/artist-value to particular things or individuals, they gain spiritual power. MPREIS uses aesthetic principles for the purpose of attaining such an artist-like brand meaning and as a folding activity into the cultural and geographic environment.
2) Interactive marketplace

The difference doesn't end at the door. For each prototypical version an ideal mix of services and more interactive retail experiences is composed. Traditionally, villagers liked to be able to shop, to communicate with others or to stop for a coffee. The substitution of the Mom-and-Pop stores by supermarkets reduced the whole shopping experience to the economizing of time and money.

“As a response to this development MPREIS invented his own Bistro-coffee shop – the so called Baguette – often attached to an outdoor terrace, taking on a more social role in the community. Today 90 % of all MPREIS stores are equipped with an adjusted version of the Baguette”, says Herbert Mölk, CEO of the Baguette.

Inspired by international movements in the service and food industry and depending on the specific requirements of the location additional services such as the MPREIS Box - a home delivery service - Thai Take-aways, mobile farmers markets, children play grounds, tobacconists, banking or mail services might be integrated into the concept.

“This way each site becomes its unique composition for a meeting place in a village or quarter center where the new MPREIS supermarket compensates the disappearance of old church squares and small shops” explains Michaela Mölk Schweeger, art director of MPREIS.

The concept of the pre-sensed aesthetic marketplace is attracting mayor led delegations from various villages and towns who try to persuade the MPREIS owners to build the next shop at their places. With these specific additional services MPREIS builds a ‘bridge’ to deeply anchor the MPREIS brand in the cultural-historical characteristics of a locality, a folding activity into the cultural specificities of the everyday life of a village or city district.
3) Reflection with affected stakeholder groups

The complete prototypical model is presented to the interested public and reflected together. This way the affected population feels integrated and can articulate their cognitive and emotional appreciations and concerns. Quite often the model is presented in the municipal office or in the city hall to affected inhabitants. As a consequence they feed back their perceived advantages and deficits to involved architects, designers and MPREIS managers. In several feed-back loops the final model of the new market is evolving mirroring the specific requirements of its natural and human surroundings. This environmentally interactive approach allows to continuously enriching the catchments area of a new shop without losing locus of control about their brand identity and the self-similar renewal (Otte, 1992) of their new and refurbished shops.

4) Self-similar materialization

The modern but not sterile interior, e.g. natural lighting, shiny metal ceilings countered by very deep red, almost black walls and flooring, provide a wonderful backdrop to the presentation of fresh regional produce or national brands. This way MPREIS creates for each new store a completely different atmosphere.

“This unique atmosphere is further supported by a self-similar communication and advertising style” reports Ingrid Heinz, Head of Communication.

Two examples underpin the power of self-homogeneous creation of suspension for consumers and employees. MPREIS introduced “literature” into the deli-section by printing texts of well-known authors and local writers onto the wrapping paper. MPREIS asked a well known historian to write a book representing the MPREIS history from its beginnings. In the course of social events and festivals lections from the freshly published book were held in supermarkets after the opening hours for the invited neighborhood and
special guests. Shopping at MPREIS becomes a poetical experience during day and night thus creating an aesthetic aura. Björkman (2002) contends that an aesthetic aura is created through discourse in society and through attribution in the consumers’ minds. He writes that an aura is not created by the company for the consumer but is instead created by the consumer. The creation of aura involves poetry. Intervening spaces, such as book presentations, are needed between the intentional offer and the meaning outcome which is discursively created in ‘theaters’ of consumption. Folding happens at the crossroads of shopping and local arts.

5) Consistent employees’ behavior.

MPREIS has meanwhile assembled a core team of senior management for the day-to-day operation and continuing development of the company’s “pre-sensed aesthetics”.

“In order to reinforce this image across the company and translate it into actual behaviour patterns, we have developed our own training modules. In this manner our employees are not confronted with the mental model of an external expert who developed his own understanding of brand consistent and self homogeneous behaviour”, argues Thomas Lindauer, Head of Personnel Development at MPREIS.

Based on deep reflections of the strategic brand identity and main principles a team of MPREIS managers developed specific rules of conduct for employees performing different roles at various contact points in MPREIS supermarkets. These rules of conduct were complemented by positive and negative examples with pictures taken from their own daily work in supermarkets. Specially trained MPREIS staff pass on the stimulating and easily grasped subject matter of these modules to the rest of their colleagues. In this way, individual skills and ideas within the organization were harnessed to develop the brand,
and everyone within the company felt involved. Understanding their own brand led to staff becoming more conscious of it, and helped them obtain a new perspective on the company they are working for. Developing a brand is a learning process in which everyone who has an influence on shaping the brand, both inside and outside the organisation, should think and act according to the brand identity. The whole company is now organised and run from this brand perspective.

6) Folding in the public discourse

MPREIS’s integrative approach creates strong resonance by various interest groups reaching from the general proud public to motivated and identified employees, excited shoppers from Tyrol or visiting tourist from other regions, satisfied marketers and journalist of media, politicians, suppliers of national brands and regional products or enthusiastic architects and designers. By constructively challenging and breaking free from received wisdom and patterns of behavior in the sector, MPREIS has established itself as the market leader in its region and remains hardly inimitable for the admiring competitors. Customers sense a coherent and powerful market presence and attractive brand meanings.

By stressing aesthetic considerations MPREIS has succeeded in attracting thousands of visitors and locals through its doors each day, and has made a name for itself as an attractive and distinctive food retailer with brand recognition that extends far beyond national borders.

**Discussion**

Managing and developing well-established brands is a challenging task. Retailers, in particular are often entangled in a web of industry standards and new developments in retailing, which often ends up in standard ‘upgrades’ without any differentiating appeal.
With our case study we aimed to demonstrate that strategic flexibility is possible without leaving the differentiation path, and keeping up the core essence of a brand.

These insights enrich current branding literature in at least two important ways. First, we found environmental integration to be an important strategic element in order to enable a constant energizing effect however, not without determining a strategic zone for action. Second, our findings point to the importance of self-similarity and energizing as core mechanisms to balance continuity and flexibility.

**Environmental integration and strategic zone**

Drawing on Sherry (1998), we maintain that service-scapes are reflecting more than themes and locally meaningful ‘mytho-types’ (Olson 1999) but include concrete design and architecture melding with other physical surroundings that bring in different qualities into the retail experience. We agree with Bitner (1992) and Kozinets et al. (2002) in that a brand draws meaning from architectural form, and add the notion of *environmental integration*. First, environmental integration is socio-cultural and includes important stakeholders, neighbors, politicians, and by passers as integral elements not only of the retail experience but even more so as direct and indirect co-planners of the architectural design. Second, environmental integration encompasses all physical-geographical surroundings of a store. By embracing the social and physical environment and making it part of the brand essence, changes of the immediate environment become an integral element of the brand. At the same time environmental integration serves the purpose of brand continuity in that it helps redefining the brand identity according to environmental changes. We may carefully conclude that continuity *and* renewal needs to be rooted in the core essence of the retailer brand itself, a mechanism that refers to flexibility and that we
like to call self-similarity. Through consistent adaptation to diverse environments in a self-similar manner, a brand keeps its essence and remains relevant, interesting.

We further add to retailing literature by looking at the retailer-environment interface in depth. What we mean is that the boundaries between the service-scape as such and its social and geographical surroundings deserve much more attention in retail brand strategy. In our case study, store design and architecture was deliberately chosen as a crucial element in constructing the retail brand essence. Contrary to Featherstone’s (1991, 1998), who reduces aestheticization of everyday life to urban environments, the MPREIS case has shown that a zone of legitimate provocation through architectural aesthetics is able to enrich rural areas as well. These intrusions of art in rural areas are legitimized by flexible adaptations of art to the respective environment. Through allowing the local region and its particular social and geographical givens to ‘fold’ (Deleuze 1988) in the retailing environment and thus co-creating and continually re-creating it, the retail brand emphasizes its brand essence of regionalism. The “inside and the outside” are not to be seen as two separate entities delineated by boundaries but as being intertwined and open to transformation by incorporating the other, and vice versa. Through ‘folding in and out’, a strategic zone is formed that integrates the environment and at the same time helps delineate the brand from others. Through folding in and building a strategic zone, new experiential spaces are combined with existing social-geographical surroundings. Contrary to Firat and Dholakia (1998), and Kozinets et al. (2002), our case shows that themed retailing environments need not be ‘enclaves’, building a separate world.

Yet, this does not add much to the flexibility and constant renewal of the brand. In order to energize the brand essence in a sustainable manner, the brand also needs to add something of value to the social and geographical surroundings that people can talk about.
The brand needs to talk to the people. Therefore, the ‘strategic zone’ is also full of paradoxes and contradiction thus re-energizing the brand essence. Stores, for instance, look completely different but are still recognizable as typical for a particular retailer brand, because this differentiation is part of the very essence of the brand. In our case, architectural design, the use of different materials, its forms and shapes, are used to fold the retail outlet into the environment, not as imitations of the prevailing style but as a slight provocation and important contribution to its future development. Architecture is always negotiated with local stakeholders in order to ensure a strong link with the socio-historical and geographical context; but at the same time is designed by creative artists, inspired by global trends and local givens at the same time. Managing these spatial boundaries between retail space and environment is at the core of retailer branding yet has been widely neglected in retailing literature.

The concept of self-similarity and energizing

Our case study shows how a dynamic self-homogenous development of a company can be built into the strategic dimensions of the brand identity. MPREIS takes on board a more market-driving view where the focus is on the perpetuation of self-similar renewal of established success factors, and the integration of appropriate new movements and concerns of affected environmental groups. This approach allows the enterprise to avoid a concept of continuity which is prone to lead to static genetic codes and brand identities. Self-similar creation of new outlets within the tunnel of MPREIS strategic brand identity increases differentiation, variety, and constant change within a given frame. The frame is clearly defined in the brand identity concept. Within the defined frame, environmental integration constantly fuels self-similar renewal. Considering the constant fine-tuning process that is inherent in the concept of self-similarity, change is happening all the time, and in a continuous manner.
Self-similarity is proactive, and not just a reaction to environmental changes. By taking a creative, future-oriented element on board – in the MPREIS case it is the architectural aesthetics – and integrating it into the very core, the brand embraces an energetic driver which is constantly fueling the brand with new and fresh thinking. The concept of energizing is an active approach, considering that marketing strategies and brands change environments in the same way as environments are triggers for changing marketing strategies. What we learned from the case study is that energizers are elements of the environment that are incorporated in the brand. They act as ambassadors of the geographical and social environment within the sphere of the brand. However, they are not meant to continually change the brand essence, but to contribute to its renewal.

As our case study shows, energetic drivers of the retailer brand are not only to be found ‘inside the walls’ of the store. Customers can experience their signs of life in carefully designed interactive spaces that they co-create, such as the Thai2go, and poetic texts on wrapping paper, which they take home. By doing this, the brand ‘folds in’ the daily lives of its customers. People read the texts, muse about it, some even collect them as a daily reminder of a truly aesthetic supermarket.

Theoretical Implications

As we could observe in business practice, folding means incorporating ‘external’ resources and transforming them into ‘internal’ ones. Examples are the integration of important stakeholder in decision processes or working with local architects thus drawing from an abundance of ‘external’ creative resources. Folding also means to contribute to the environment by – in our case – adding a visible aesthetic element. Pre-sensed aesthetics embraces the tension between new, slightly provocative and traditional elements through folding, instead of resolving them. Pre-sensed aesthetics are at the forefront of the aesthetic discourse in that they integrate the creative element of arts. By making it an integral
element of the brand essence, a strategic zone is created that contributes to the innovative edge and to the flexibility of the organization. Flexibility then means that organizations draw on rich ‘external’ sources for the purpose of continuously renewing the brand essence and to splay the brand essence inside out thorough aesthetic materializations of itself.

In what way, however, would this be different from a positioning process of doing market research first, incorporating the outcomes in a sound positioning strategy and then implement it on the market? Pre-sensed aesthetics comes to life through everyday practice within a strategic zone instead of having a fixed and stable positioning in terms of fixed target markets and differentiating benefits. It is not that pre-sensed aesthetics do not provide differentiating offers however those offers are adapted to the needs of the stakeholders in a particular regional area. This, however, is not to be understood as an automatism of pre-sensed aesthetics. Environmental integration builds an intervening space that is also contested, full of paradoxes which develop from the artistic expression of a supermarket in a rural area, or from the potentially multiple brand interpretations of the staff. Hence, flexibility through pre-sensed aesthetics also means becoming an emancipated player on the market and breaking free from the dominant logic of a particular industry. Therefore, we reject a rigid customer-oriented approach, like taking customer needs as an absolute starting point, and allowing artistry to transcend the mundane and approach a new reality (Monthoux and Strati 2002). In our pre-sensed aesthetics approach flexibility is driven through a stable core and dynamic periphery which is consistently promoted across all MPREIS outlets, in order to establish a unique shopping experience which continuously enriches the quality of life of customers and employees. 

**Limitations and Future Research**

To our knowledge this paper is the first which tries to elaborate the important topic of successfully managing continuity and strategic flexibility of retailer brands. Case study
research is certainly limited regarding the generalizability of the findings. Hence, juxtaposing our results with other retail stores as well as other industries constitutes a next important step for future research.

The idea of a dynamic and stable brand seems to be a promising approach to establish a main driver for continuous renewal at the strategic level of an organization. The integration of the physical, geographic and social environment via the concept of “folding in and out” facilitates the pro-active development of intensely resonating brand meanings among various stakeholder groups in our case. To our knowledge both insights have not been covered in the branding literature so far. More thorough explorations of these two avenues should deepen our understanding of brands seeking for balancing continuity and flexibility in general and more specifically in the sector of retailer brands.

On the operative level we argue that a self-similar materialization within the frame of the brand strategy constantly fuels and energizes elements of brand manifestations. Hence we would like to see more research exploring the concept and impact of ongoing self-similar brand Gestalt across retail and service companies.

As we have put a clear focus on architecture and design, future research is also necessary into other forms of pre-sensed aesthetics, and its integration with the social and physical environment. Examples are numerous and range from personnel outfit to detailed store aesthetics or the greens surrounding the stores, including their folding qualities. Furthermore, management is challenged to adapt its leadership style and action to a pre-sensed aesthetic leadership. We do not close our eyes to the fact that it is primarily the leaders who embody the aesthetic quality of a retail brand. Future research should ask how pre-sensed aesthetics are to be implemented in everyday action of management to ensure that continuity and renewal are continually balanced.
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