

**PURPOSE, STRATEGY AND ACTIVISM:**

**AN EXPLORATORY INQUIRY INTO THE STRATEGIC CONSTRUCT OF  
PURPOSE-DRIVEN BRANDS WITHIN FOR-PROFIT CORPORATIONS**

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## **Abstract**

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The concept of purpose-driven brands has drawn increasing attention in practice, and also increasingly among academia. The literature, in the substantive area of research on marketing, brand and corporate strategy acknowledges the existence and importance of a higher-order purpose for organizations. However, the body of knowledge lacks explanations and definitions concerning the construction of such higher-order purpose. Furthermore, there is ambiguity concerning the position and role of such a purpose within the overall normative, strategic framework of a firm. In addition, the managers' motivation to apply such a strategy in practice is overall not evident. Therefore, this research aims to develop a substantive theory concerning the construct of purpose-driven brands and their role in normative strategy frameworks and to explore further the motivations behind managers' adoption of such a strategy.

The researcher adopts a critical realist's stance and applies a classic grounded theory (CGT) methodology. As the data collection method, 42 semi-structured interviews were conducted with managers who were selected applying CGT's theoretical sampling strategy. The participating managers work in marketing and strategic leadership positions at US and European for-profit corporations that claim to apply a purpose-driven brand strategy. The sample covers consumer goods, industrial goods and service industries. The application of CGT's coding paradigm guides the analysis of the qualitative data and the abstraction towards the emergent grounded theory. The theory is then triangulated with practitioners' literature from within the substantive area of research.

The study's findings provide evidence that the conceptual idea of higher-order purpose is based on the managers' conviction that businesses, as social entities, should pro-actively contribute to society's challenges at large through their business initiatives, beyond a financial contribution to its shareholders. The emergent CGT of the purpose-driven brand embeds the constituting tenets and elements and their interdependencies and relationships around the core category of *Activism, though higher-order purpose*. The findings suggest that the constitution of the purpose-driven brand is dependent on a firm's corporate purpose and foundationally related to the guiding principles and strategies of an

organization, which are codified through the implementation of a normative strategic framework. The emergent theory is embedded adjunct to brand strategy theory and discussed with reference to extant theory from within the substantive area of research.

This thesis contributes a theoretical model, grounded in data, to close the gap in theory and practice regarding the construct of the purpose-driven brand and its place within the overall normative framework of a firm.

## **Author's declaration**

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I declare that the work in this thesis was carried out in accordance with the regulations of the University of Gloucestershire and is original except where indicated by specific reference in the text. No part of the thesis has been submitted as part of any other academic award. The thesis has not been presented to any other education institution in the United Kingdom or overseas.

Any views expressed in the thesis are those of the author and in no way represent those of the University.

Dominik Brendel, Cologne, September 30, 2019

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## Chapter 1: Introduction

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### 1.1 Background and the contemporary research context

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In the earlier 2000s, the brand and marketing community started to challenge the notion of brands serving just functional and emotional benefits in their original definition (D. A. Aaker, 2009). Kotler et al. (2010) also argued for reframing marketing overall through the integration of a more human-oriented dimension in brand strategy. The notion of brands serving a higher-order purpose and higher meaning was introduced, however, this notion was not developed as a theoretical concept itself that brand managers could apply to build their brands. Nevertheless, as shown in Figure 1, the interest in brand purpose has continuously increased since 2008. Furthermore, the well-established US Association of National Advertisers (ANA), whose members include branding-driven companies such as, e.g. Nike and Procter & Gamble, even selected 'brand purpose' as the marketing term of the year for 2018 (Mandese, 2018).

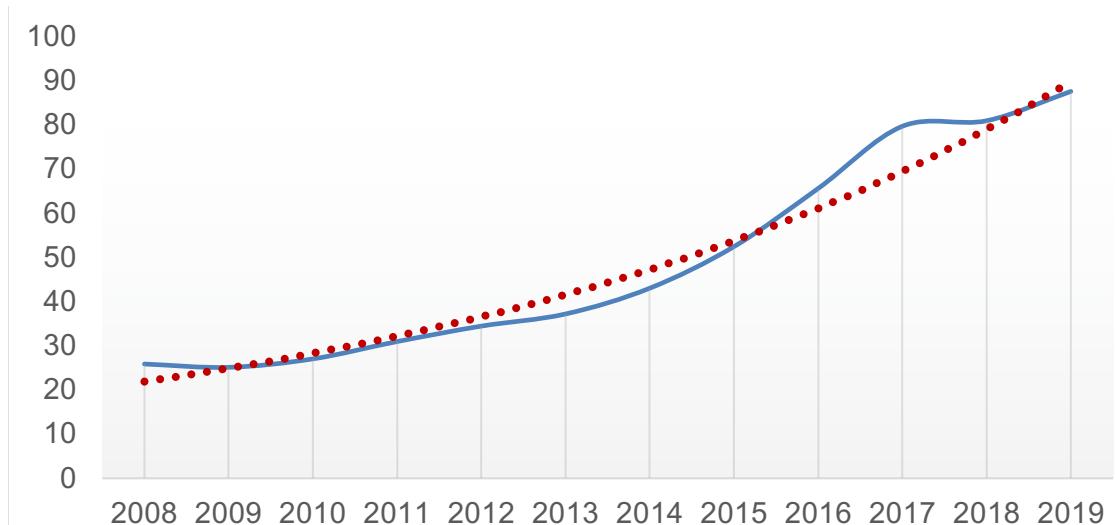


Figure 1 - Google Trends keyword search-term "brand purpose"

The blue line indicates Google's search term index, while the red line indicates exponential trend; the x-axis shows time dimension, while the y-axis indicates Google's relevance index.

Source: Brendel (2019)

Furthermore, there is increased interest in the concept of higher-order purpose, as overall corporate strategic management concept that can ultimately be communicated through a brand strategy, both internally and externally, to all

stakeholders (Carlisi et al., 2017; Reeves et al., 2018; Reeves et al., 2019). With regards to the effects of higher-order purpose in marketing, brand and corporate strategy, there is an increasing body of empirical evidence, both from scholars and practitioners, concerning its positive impact on business (Birkinshaw et al., 2014; d'Hond et al., 2019; Gartenberg et al., 2018; V. Keller, 2015; Serafeim, 2018a; Sisodia et al., 2014; Stengel et al., 2019; Zmuda, 2012). However, there is a lack of definitions and theoretical elaborations regarding what such a higher-order purpose constitutes and what the tenets, properties and the foundational elements and relations are in this field of practice. Most researchers, therefore, have applied a generic explanation of purpose concerning strategy, asserting, that the purpose of a firm should extend beyond generating financial profit; with little to no reflective contextualization (Gartenberg et al., 2018). However, this broad definition cannot help to explain the brand management efforts and strategies that can be observed in practice.

Overall, the strategic role of a brand, as constructed by the brand owning firm, is to communicate with human stakeholders (internal and external), in which 'organism' the brand will create specific impacts to influence the person's decision-making process, in favour of the firm's brand, over its competition (Freundt, 2006; Meffert et al., 2014). This process, which is depicted in Figure 2, is referred to as the stimulus-organism-response (SOR) model (Buxbaum, 2016).

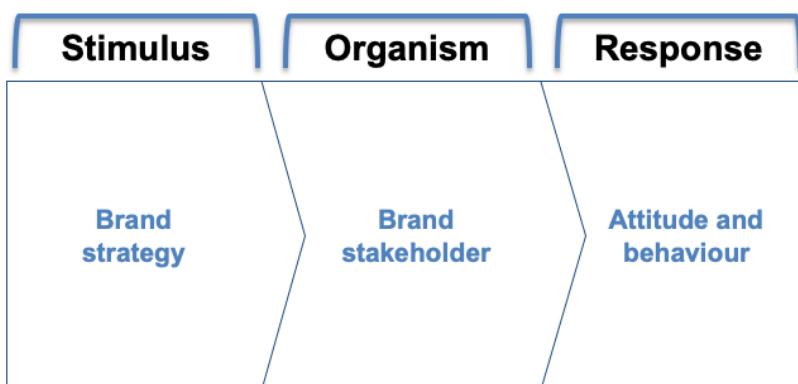


Figure 2 –Stimulus, organism, response model and brand strategy; source: Adapted from Buxbaum (2016)

The strategic importance of brand management and its role in an organization can be related to the paradigm shift in marketing that occurred in the 1990s:

Brands became accepted as constructs that can be actively managed and controlled, as opposed to a passive outcome of a company's marketing mix (Heding et al., 2009). Previously, the 'economic school of thought' had mainly focused on short term and rather tactical marketing initiatives intended to increase short-term revenue. Today, however, there is agreement among scholars and practitioners that the economic paradigm fails to fulfil "... the potential of brands and brand management, reflecting how consumers (...) consume brands" (Heding et al., 2009, p. 45).

Research in the field of corporate strategy has emerged in parallel to brand management theory. The importance of the integration of a 'higher purpose' into the overall strategic corporate landscape has drawn increased interest from both scholars and practitioners (Bartlett & Ghoshal, 1988, 1990, 1994, 1995; Collins & Porras, 1996; Hatch & Schultz, 1997; Hatch & Schultz, 2001). Collins and Porras (2002) argue that in a 'VUCA' world (a world characterized by volatility, uncertainty, complexity, ambiguity) a higher meaning, codified in the form of a purpose statement, is essential to business, as profits are the results, not the driver, of a purpose-driven organization. This higher-purpose should then be translated into and represented through the vision and mission of a company, but more generally it should be an essential part of an organization's respective brand strategy (Collins & Porras, 1996; Lafley & Martin, 2013; Polman, 2014; Reiman, 2013).

In for-profit businesses, it can be observed that an increasing number of brands are claiming to be purpose-driven or to be guided by an idealistic purpose and world view to achieve higher price premiums and greater consumer loyalty (Schaefer & Kuehlwein, 2015). Examples of brands and companies include Patagonia, Share, TOMS, AirBnB, Nike, Method, The Honest Company, Barbie-Mattel, Unilever and P&G ("Barbie's Social Purpose," 2015; Chesky, 2014; T. Hsieh, 2010; Lafley & Martin, 2013; Mycoskie, 2012; Schaefer & Kuehlwein, 2015; Spence, 2009; Stengel, 2011). In his last year of tenor, Unilever's former CEO, Paul Polman, argued that brands that are not purpose-driven, "Won't make it", as consumers are increasingly demanding that brands take a standpoint and role in consumer's everyday environment and society overall (Fleming, 2018, para. 1). However, neither Polman nor Unilever have publicly shared an explicit

definition of brand purpose, how it is constructed or how it differs from other brand or strategy concepts. P&G's former CMO Jim Stengel hypothesized that the purpose of brands is about a "... brand ideal ...[as] the factor connecting the core beliefs of the people inside a business with the fundamental human values of the people they serve (...), not social responsibility or altruism, but a program for profit and growth based on improving people's lives ..." (2011, p. 3), and went on to note that a purpose is a brand's "... essential reason for being, the higher-order benefit it brings to the world" (2011, p. 7).

Furthermore, the concept of higher-order purpose, both of a brand and within corporate strategy, meets the increasing demand for meaning: Consumers seek higher meaning as part of their attempts to define their self-identities, and therefore it has been hypothesized that they attach to brands that offer such higher-order purpose and meaning as part of their brand images (Batra et al., 2012; B. Carroll & Ahuvia, 2006; Hochman & Maynor, 2012; Kapferer, 2008; Kotler et al., 2010; Porter & Kramer, 2011).

To conclude, a growing interest in corporate and brand purpose can be observed, in addition there is an increasing body of empirical evidence that such a strategy may have a positive impact on the business results. However, there are severe limitations about the understanding and applicability of the concept of higher-order purpose in both theory and practice. These limitations are mainly due to the lack of clarity concerning the theoretical definition of a higher-order purpose, the essential properties and tenets thereof, and how such a purpose can be integrated into corporate and normative, as well as brand strategy, frameworks

## 1.2 Rationale and motivation for the research

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The motivation for this research project emerged while I was working as a brand manager and marketing director in several organizations, in which capacity I led several brands and marketing teams. When I began my career in marketing over a decade ago, brand management itself was a discipline firmly bound to market-oriented leadership and business management at my first employer, Procter & Gamble. During initial years as a brand manager, we were confronted with

declining brand loyalty<sup>1</sup> and consumers moving towards white-label or retail brands as we, as marketers, could probably not sufficiently justify the price premiums. These in-market effects led to diminishing returns on our brands and marketing investments, and we became aware that this phenomenon could be observed across a wide variety of consumer businesses and services. Simultaneously, the first impacts of the digital transformation began to affect the mass markets, with then-new consumer networks such as social media platforms (e.g. Facebook) and digital service providers such as Alphabet's Google search machine, the introduction of the iPhone and therefore the introduction of mobile internet und ubiquitarian information access and increased media consumption by consumers.

Furthermore, we found in our consumer research, that most consumers were increasingly losing trust in brands more and more as the lack of authenticity and innovation on the part of brands seemed to indicate that they were not worth their premium prices (Morgan, 2009). At the same time, Simon Sinek's TED speech and book *Start With Why* became popular among the marketing community (Sinek, 2009). Brand managers across Europe and the US started evaluating and challenging their brands' strategies and asking whether the way in which they, as managers, defined them was contemporary and ultimately still relevant to consumers. At P&G, our then CMO Stengel urged us to review our brand strategies to integrate what was internally referred to as *purpose-driven brand building*. However, at the time no research or theory that one could use to develop such a 'purpose-driven brand'-strategy was available to the marketing community. As of the time of writing, certain practitioners have published their personal views on what brand purpose is, but there is no overarching research and thus no coherent theoretical framework to apply. In addition, the lack of any theoretical, methodological or academic framework or theory hinders any further research in this area. While the urgency of becoming purpose-driven in terms of brand strategy development has been intensively discussed among practitioners also it is subject to some controversy, and the actual tenets, properties and

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<sup>1</sup> Brand loyalty definition at P&G in 2008: Consumers who repurchase a product from the same brand at least twice, within 12 months

objectives of those purpose-driven brands remain unclear (Houlder & Nandkishore, 2016; Karaian, 2016; Mandese, 2018; Ritson, 2019; Roderick, 2016; Shotton, 2018; Twivy, 2015).

Based on the few existing works in the practitioner literature, the only common ground of such brand strategies identified is the identity-based brand theory. However, the actual overall *role* of purpose within identity theory and brand strategy has not been defined or explained, nor can commonly accepted understanding of its implementation in practice be identified. Furthermore, the *objective* of purpose within business and brand strategies, in particular among *for-profit* organizations, should be clarified, as the concept of a potentially altruistic, higher-order purpose could conflict with the original objective of for-profit firms:, namely profit maximization (Aitken, 2017; Ritson, 2019).

To further the understanding of the role of higher-order purpose in brand strategy and corporate strategy, as well as its overall position and role within the overall strategic and normative, principle-based framework of a firm, further research and theoretical abstraction are needed.

### 1.3 Research aim, objectives, questions and contribution

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#### 1.3.1 Research aim

This research explores the rationale for and the implementation of higher-order purpose within for-profit companies and the application of this concept to the brand strategies of such companies.

#### 1.3.2 Research Objectives

1. To critically review the existing body of literature and identify potential tenets and elements of purpose-driven brands
2. To investigate practitioners' reasoning for the integration of higher-order purpose in their brand and corporate strategy frameworks
3. To explore critical elements and their relations among them in the construction of higher-order purpose in normative brand and corporate strategies
4. To formulate a theoretical strategic framework for higher-order purpose-driven brands

### **1.3.3 Research Questions**

1. What is the role of higher-order purpose in the existing body of marketing, brand and corporate strategy literature?
2. Why do practitioners of profit-oriented corporations implement a higher-order purpose to their brand and corporate strategies?
3. Which elements and causal relations constitute a higher-order purpose within the strategic framework of a profit-driven corporation?
4. How is a higher-order purpose integrated into brand and corporate strategy frameworks?

### **1.3.4 Contribution**

The widely accepted SOR model (see Fig. 2) provides the marketing and brand strategy communities with a robust theoretical foundation for understanding and explaining brand management research (Buxbaum, 2016; Heding et al., 2009). Based on this model, my research aim could be approached via two significant perspectives. Overall, based on the SOR model, one could approach the research via the consumers' or customers' perspective (organism). Their response to a stimulus could be explored via attitudinal or behavioural analysis. The object of study then would be a brand's consumers when confronted, or engaging with, the brand and theorizing upon their response. This would mean deducting from consumers' perceptions, the effects of such a purpose-driven brand on their responses. Alternatively, one could approach the research from the perspective of the stimulus creator, the brand-owning firm, and its initiatives and the underlying reasoning of its brand and corporate strategies. This approach enables, the inductive construction of a theoretical model, based on the brand-constructing perspective of the managers, who initiate, execute and deliver such brand and corporate strategies. However, this approach also inhibits, at least implicitly, expected consumers' responses, as the brand-steering firms apply and implement brand strategies to generate positive consumer responses, which is the ultimate economic goal of managing a brand.

As discussed previously, and based on my personal experience as a brand manager, the challenge for practitioners is to find a definition or theory, regarding what such a higher-order purpose is or could be, for both brand and corporate

strategy and more specifically how such a theory could be implemented in the form of a strategy framework for businesses or brands in practice. In addition, given the lack of a theoretical definition of higher-order purpose in the contemporary business strategy context, the approach of deducing a model of the higher-order purpose concept, based on consumers' responses, would require hypothesizing such a model, or its components, at first-hand. Such hypothesis-based research can be found in the current body of practitioner literature. However, it does not provide a foundational theory about higher-order purpose concerning brand and corporate strategy. Thus, conducting another hypothesis-driven, deductive research study may not be the most promising way to develop a theoretical model concerning the stimulus, in this case the brand strategy. Furthermore, as I discuss in my chapter on research design and philosophy of science (chapters 4 and 5), I very much agree with authors such as Morrell and Jayawardhena (2008), who argue that rather than guessing, experimenting and hypothesizing as to the effects of brands, marketing research should refocus to also include theorizing and research to build a new base for the overall advancement of the discipline.

Finally, the adoption of a higher-order purpose in brand and corporate strategy could conflict with the inherent profit-orientation of for-profit companies. Therefore, it is essential to also explore the underlying patterns and motivation of the organizations, executed through their members (i.e. the managers involved in the decision-making processes of the firms), to apply such strategies. Doing so, however, would only be possible when the research approach is designed to take the managerial perspective into account. Consequently, I decided to approach the research aim from a conceptual perspective, taking a firm's stimulus-perspective to induce a foundational contribution for practitioners and further research alike.

Thus, my contribution aims to provide a substantive, theoretical foundation that explores the constitution of the purpose-driven-brand conceptualization and the strategies underlying such a concept. I also provide more context for the discussions concerning the role of higher-order purpose, within for-profit corporations in both theory and practice, by exploring the underlying motivations of managers who implement such strategies at their organizations. Furthermore,

I aim to embed the developed brand-related strategy and the context of the acting managers towards an overall normative, strategic framework of a firm and clarify the ambiguous theoretical discussion regarding the role of higher-order purpose and other normative strategic concepts, such as corporate mission, vision, values and principles.

The resulting substantive theory is intended to provide a grounded foundation for further research. The development of this foundational theory should allow a more substantial and fundamental understanding of the phenomenon and facilitate further research, such as assessing the potential effects and the consequences thereof in terms of consumer behaviour and the potential changes in consumer attitudes towards the brand construct.

Finally, I intend to contribute the emergent theory as guidance to practitioners, who seek to implement such a higher-order purpose to their organisation's normative, strategic frameworks.

#### 1.4 Structure of the thesis

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Following the establishment of the research aim and questions and the identification of the intended contributions of this study, Chapter 2 presents an initial literature review. Although the brand construct of the brand and brand strategy are well established in both theory and practice, it is necessary to critically review the body of knowledge and theory to define the substantive area of research. It is essential to note that the literature review's objective, namely reviewing extant theories and knowledge to limit the substantive area of research, is aligned with my chosen research paradigm of classic grounded theory (CGT), but this initial review does not include the practitioner literature already. This material and literature that contribute to the substantive area of research itself are only reviewed later in the overall research process, after the coding process has been conducted. The literature from practice, as another data source, is then triangulated with the emergent grounded theory. Conducting a later review of practitioner literature and material enables a researcher to limit preconceptions before conducting an analysis. The literature review chapter concludes with the definition and limitation of the substantive research area from an academic perspective.

Thereafter, in Chapter 3, I discuss and summarize the applied scientific philosophy, more precisely I describe my stance with regard to epistemology and ontology. This chapter presents the reasoning behind my overall choice as a critical realist to apply a CGT research paradigm. In this chapter, I also argue that critical realism as such could be an undervalued and possibly misunderstood approach in the philosophy of science that could help to further improve the understanding and acceptance of qualitative methods.

Chapter 4 presents an in-depth review and discussion of the versioning of the different schools of thought in grounded theory paradigms. The ongoing debate among grounded theorists is reviewed to guide the reader through the current developments of the grounded theory versions and I discuss my perspective and how they connect and relate to my research aim, questions and objectives. Although there is a large body of literature on grounded theory available, no comparable in-depth review regarding the different schools of thought and more importantly, its consequences could be found in the current body of literature on grounded theory. Thus, this chapter also provides an introduction and overview for interested scholars in general and for novice grounded theorists in particular. I conclude by describing my choices and the fundamental, underlying principles that guided them.

Chapter 5 describes in detail the procedural research activities and, more specifically, how a CGT paradigm was applied in this study. Beyond enhancing the validity and transparency of this research project, this chapter also offers novice grounded theorists a better understanding of how theoretical concepts and measures of CGT can be applied and delivered.

Chapter 6 presents the results and findings of my research and analysis; a grounded theory on the purpose-driven-brand. The chapter develops the theoretical, systemic construct into an integrative theory that is grounded in data and enhanced with further insights from the practitioner literature. However, the practitioner literature review was suspended until after the theory emerged. The presentation of the theory follows the core elements and logic of CGT, beginning with the exploration of the participants' main concern, their resolution of it through the core category and finally the abstraction and formulation of the overall theory.

Chapter 7 presents a discussion of the research findings (i.e. the emergent grounded theory). Beyond the discussion of the findings with regard to the extant body of theory, within the substantive area of research, the core components and relationships among its single elements are further specified to answer the research questions. Finally, the core components are embedded in and interwoven with the extant literature and the theoretical body of knowledge concerning marketing, brand and corporate strategy, initially reviewed and discussed in the initial literature review in Chapter 2. The chapter concludes with a discussion of the limitations of the research findings and the presentations of recommendations for further research.

Finally, in Chapter 8, I conclude on this study's contribution to theory, practice and methodology. Furthermore, I discuss my own methodological challenges and provide a critical assessment of the emergent grounded theory against pre-defined criteria to comment on the theory's validity and applicability. Thereafter, I discuss essential arguments in relation to my overall research paradigm and conclude with personal reflective observations.

## **Chapter 2: The substantive area of research: A literature review on brand theory and the emergence of higher-order purpose in marketing, brand and corporate strategy**

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The objectives of this chapter are to establish the substantive area of research for this CGT study, to assess the extant theoretical knowledge and to frame the current state of theoretical knowledge.

First, I provide a review of the emergence of brands as managed objects and their impact on business strategy based on a historical account of the marketing discipline's approach to the management of customer-centric business.

Thereafter, I also review the idea of higher-order purpose in corporate strategy and management overall and finally bridge the existing knowledge between normative brand and corporate strategy. Furthermore, I clarify how my research contributes to the existing body of knowledge and its relevance for academic research and to practice alike.

### **2.1 The establishment of brands in theory and practice**

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#### **2.1.1 The brand terminology and its history**

Originally 'branding' has been used as terminology since centuries: Whiskey distillers marked their wooden barrels before shipping them, to distinguish the products from each other. The 'brand' has shown the name of the manufacturer to identify the product's source. Also, the European craftsmen and guilds have had their emblems, attached to products, to distinguish them. However, it has taken almost until the middle of the 20th century until brands, and their functionality, been moved more into the focus of companies and to the further attention of scholars (D. A. Aaker, 1991).

Neil McElroy, then a Procter & Gamble employee in the 'promotion department', wrote a memo in 1931, which can be considered giving birth to the central idea of establishing 'brand management' as a function in business (Kumar, 2003). McElroy argued that centralised responsibility, structured around the brand as an institutional object, including the business and promotional as well as communication responsibility, assigned to a designated person – the "brand man"

– will improve ownership of the budget and therefore business results (D. A. Aaker & Joachimsthaler, 2000; Duffy, 2011; B. Johnson, 2010). Those early attempts and definitions to foster branding into a discipline of business itself have started a journey towards a deeper understanding of the relation of business and the management of products and the complexity and drivers of consumers' purchase decision-making. However, they have been based on the then-current neoclassical theories of economics and the philosophic assumptions that humankind is solely economic driven and in (mass) markets, products do only need to be branded in terms of clearly communicating to the consumer who made it and what it is. The objective was to react immediately when business issues arose to manage sales and profits (D. A. Aaker & Joachimsthaler, 2000; Heding et al., 2009).

Mellerowicz (1963) developed the theory of branded products and defined a branded product on the criteria of lasting and same packaging for an item, constant or increasing level of quality and ubiquity. He reduced the importance of branding to the fact that it was to achieve a higher price than competition in commodity markets will only be achieved by increasing the quality of the product then. Still today, the American Marketing Association (AMA) defines of a brand as “A name, term, sign, symbol, or design, or a combination of them, intended to identify the goods or services of sellers and to differentiate them from those of competition” (Kotler & Keller, 2012). Also, here, the focus is on identifying the product, rather than any potential product-independent, psychological function concerning the effects of branding in consumer purchasing-decision making.

If we concluded on those assumptions and findings, what brand management is about, the brand owners' actions and all activities would be limited to marking and clarifying the sender of a product or service. This would not explain the value which brands have to companies today, being sometimes their biggest (financial) asset-based on evaluations from market research companies such as Interbrand and Milward Brown (Brendel, 2007). Moreover, a definition representing today's knowledge about branding and what brands should be:

“Branding is much more than attaching a name to an offering. Branding is about making a certain promise to customers about delivering a fulfilling

experience and a level of performance. (...) The brand becomes the whole platform for (...) delivering superior value to the company's target customers." (Kotler, 2005, p. ix).

### 2.1.2 Marketing the brand to the consumer

Theodore Levitt was upset with the product and sales focus of the major industries in the U.S. He argued that the way those industries work will lead them to failure, as they do not create their offerings with the customer in mind. Further, he concluded that Henry Ford was misunderstood and misinterpreted. People thought about him as making more profit-driven by cost savings, but Levitt instead saw him as "The greatest marketer of the American history", because Ford did not invent mass production as means-end. Much more Ford has put the market and therefore the customers' need first: His customers' wanted an affordable car, so as a consequence he invented mass production (Levitt, 1960). About this conceptual framing, in the economic boom of the post-world war II area, Borden (1964) published what is considered today as the ground-breaking idea of organising initiatives for marketing products in a framework: the *marketing mix*. To define what marketing is he organized all core tasks, which he considered to be critical for marketing success, differentiating between 12 significant categories, named 'policies': product planning, pricing, branding, channels of distribution, personal selling, advertising, promotions, packaging, display, servicing, physical handling as well as fact-finding and analysis. He further defined the marketing-mix of being a supportive checklist for managers, as a process, in which end consumer research should be central to the assessment of the marketing program to assess its effectiveness. McCarthy (1964) adapted the marketing mix concept and developed the today known marketing mix concept of the '4Ps': Product policy, price policy, place and promotion. He argued that those four categories are the most important to the marketing program to achieve in-market success, while he further agreed with Borden that consumer research would be necessary along the entire development process of the marketing program to ensure relevance for the consumer. The idea of McCarthy's marketing mix to encourage managers to enhance their product development and new product launch plans was enhanced further: It was argued that the ultimate objective of the company must be increasing profit. Therefore, new product plans

should be calculated by assessing the cost and revenue contribution potential of each of the marketing mix categories to achieve break-even and higher profits overall - thanks to the then profit-optimized marketing mix and derived product program (Kotler, 1964, 1965, 1972; Kotler & Levy, 1969).

In contrast, there is also the argument, that the marketing mix in combination with the idea of reducing transaction costs and risks for consumers are the key themes, only supporting the general theory of marketing in the time of 1950 to 1970; the system of the “economic brand”. The ‘economic brand school of thought’ as they call it, mainly focuses on short-term and rather tactical marketing programmes to increase short-term revenue and profitability. However, the economic approach lacks to fulfil “... the potential of brands and brand management, reflecting how consumers in the new millennium consume brands” (Heding et al., 2009).

The management of brands has then been defined as a result of the marketing mix management. The theory of the marketing mix is short term, to increase the firm’s profitability. Thus, the concept of the marketing mix does not necessarily explain the management of the long-term orientated actions sufficiently, as they are evidenced by decades-old brands that have not changed much and are still thriving (Brendel, 2007). The underlying paradigm applied, and the methods used have been positivistic. The data used was mainly sales data and later with the rise of retail scanner data, which has been powerful to steer the on-going business, mainly via regression analysis (Heding et al., 2009). The objective was to manage the marketing mix for short-term sales and margins (D. A. Aaker & Joachimsthaler, 2000).

### 2.1.3 *Branding and advertising*

With a more increased focus from the late 1950s onwards on the marketing mix, marketing communication and advertising have seen a parallel development to the marketing discipline, enhancing the way how offerings were communicated and as such playing a crucial role in the development of branding. This was also driven by the rapidly growing distribution of television across the western world. David Ogilvy, one of the pioneers in advertising, summarised his experience in his first publication in 1963. He noted that to be successful in the market place

once the company has the product, the price and the distribution strategy right, there are mainly two crucial things; first, the relationship of the client and its advertising agency, secondly there must be a great idea which will convey the package of product and price. Ogilvy argued that advertising has to go “deeper and beyond” the product, its functional benefits and its price. He was convinced that his work became only successful, in terms of adding incremental business to his clients, because at his agency they were all over finding this one idea, which would be timeless and establishing something in the mind of the customer, which will probably last longer than the novelty of the product itself (Ogilvy, 1963). Later, in his second book, he argued that the only way of making a long-term success of a product, a service or even a whole company depends on the thoughtful and long-term orientation of its communication, brought to stakeholders of the brand via advertising. As such, advertising not only has the power to increase sales, it also has the power to reduce sales (Ogilvy, 1983). The process of creating advertising has the objective to create a market position of the brand, and this will create a particular brand image, which he refers to as being the “personality” of the advertised object<sup>2</sup>. Worth mentioning was his position on marketing: “... They told me I had won the Parlin Award for Marketing, I thought they were kidding. I cannot even understand what the experts write on the subject. (...). All double Dutch to me.” (p. 167). One of those considered as the parents of brand communications, did not see himself as a ‘marketeer’. He held a different perspective; he argued that marketing is about balancing product development, pricing and distribution, while advertising is about creating a long-term image, brand’s “personality”.

Based on the idea of branding through communication, McCracken (1987) developed the idea, that advertising must become meaning-based, rather than focussing on the communication and information on products’ functionalities to reach consumers. McCracken argues that consumers are not looking for rational

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<sup>2</sup> Hans Domizlaff (2005) already started writing about the idea of brand image in 1939. He suggested that the combination of name and colours as well as the copy texts used in print advertising will create a certain meaning for the recipient about the product and moreover its quality.

information only, nor are they interested in most (technical) product features and benefits. This disinterest is due to the consumers' perception that the level of innovation and novelty is, regarding most advertised products, quite small and the difference between the considered brands is quite narrow with regards to the superiority of their functionality over the other brands. Moreover, he argues, consumers are seeking goods and brands, which enhance them in constructing their self, and demonstrate the advancement of their self to the outside, such as their families and friends – or to put it more general: to their social relations.

The establishment of brand management, delivered through marketing-mix management and, more explicitly, the introduction of brand advertising as a concept of the brand's positioning, is foundational to business theory, in terms of providing structured, theoretical models to be applied both in theory and practice. Notably, McCracken's (1987) introduction of the idea that consumers may use brands as part of the construction of their self-identity may be central to the concept of purpose-driven brands. According to MacCracken (1987), brand management's objectives are then significantly beyond simply identifying a product's origin and positioning a branded product in the marketplace. When consumers attach to brands as metaphysical objects to build self-identity, brands must convey elements beyond functional or emotional benefits, which would be bound to the underlying goods or services. The concept of higher-order purpose in brand strategy implies, at least suggests, that self-enhancement through a brand's consumption and attachment to it is foundational. However, higher-order purpose is not explicitly linked to the concept of self-identity theory in brand strategy. Although the concept of brand purpose is not currently reflected in the literature, the theoretical phenomenon of consumers' self-enhancement through the consumption of brands, rather than the actual use of goods or services, suggests already, that higher-order purpose could be central to a brand strategy.

## 2.2 From short-term marketing to long-term brand management

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David A. Aaker was one of the first opening up a new era in brand research: With his seminal publication "Managing brand equity" (1991), Aaker brought up the next level in brand management theory; moving into a long-term approach and beyond the brand as a sheer *result* of the management of the marketing mix. He

drew significant conclusions and definitions from case studies to frame an overall understanding of the value of brands to the firm and the mechanisms from a consumer perspective.

Aaker established the definition of “brand equity” as a “set of brand assets and liabilities linked to a brand, its name and symbol, that add to or subtract from the value provided by a product or service to a firm and/or to that firm’s customers.” (1991, pp. 17-18). This can be considered a significant step in the history of branding, given the complexity, he covered within the proposed framework and moreover the acknowledgement that brands are more than the ‘simple result’ of marketing initiatives or even only a name or a symbol as it has been proposed in the decades before. Aaker further defines the key drivers of brand equity: Brand loyalty, awareness, perceived quality, brand associations in addition to perceived quality and other assets such as patents and channel relationships. Later, he added that the key is that his brand equity concept consists of a set of underlying assets and that “... the management of brand equity involves investment to create and enhance these assets” (D. A. Aaker, 1996, p. 8). He also mentions the value of brand associations, which are intangible assets of the brand, leading to a specific image at the consumer (D. A. Aaker, 1991). As shown in Figure 3, Aaker built an integrated model to show what drives the value of the brand overall.

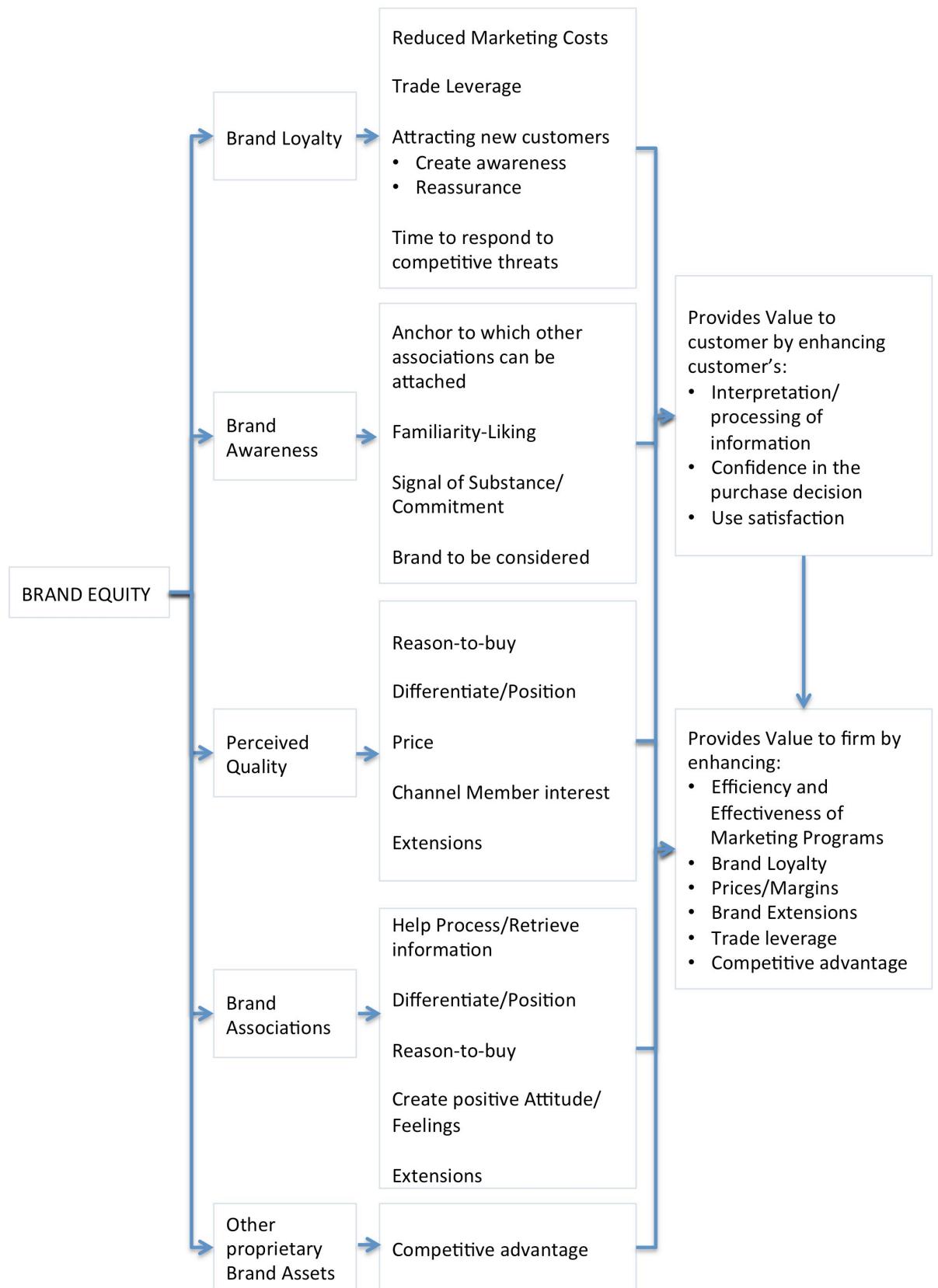


Figure 3 - Brand Equity Model; source: Adapted from D. A. Aaker (1991)

With this ‘new school of thought’, the perspective in brand management changed from a tactical driven, short-term orientation towards implementing measures to achieve long-term value: brand equity. This can be seen as a new necessary foundation of the following research and conceptualizations, which followed from the mid-1990s. From the origins, that a brand is a symbol only for identification of a product and its producer, via the concept that the marketing mix will have; as a result, the brand and therefore brand management consist of managing the more short-term orientated marketing mix, towards the concept that the management of the brand is supposed to generate long-term value for the firm. Thus, the research and its paradigms and subsequently, methodology have been undergoing significant change throughout the 1990s.

This long-term orientation suggests that if a brand’s strategy were to be centred around a higher-order purpose, this purpose would be established to develop a long-term competitive advantage for the firm in question through its brand strategy. This competitive advantage would be significant to the brand’s equity, as it could create lasting, metaphysical objects that customers can consume and become attached to, beyond simply consuming or using the firm’s goods or services offerings as such. In Aaker’s (1991) brand equity model, a brand’s higher-order purpose can contribute to create increased ‘use satisfaction’ and potentially lead to increased ‘loyalty’. Such increased satisfaction and loyalty could result in increased purchases from customers and therefore in-directly provide enhanced value a firm.

Hence, the introduction of long-term orientation in brand management aims to deliver long-term financial value to a firm. This value is expressed through the brand’s equity, which is built by the application of explicit strategic brand management. This concept supports the idea of establishing a brand around a higher-order purpose, which consumers can become attached to, as brand attachment should create a longer-lasting consumer-brand relationship and lead to increased brand equity.

## 2.3 Brand strategy frameworks

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Over the past two decades, some theories have evolved, which can be seen as stand-alone frameworks in the evolution of brand management.

### **2.3.1 *Consumer-based brand framework***

K. L. Keller (1993) elaborated on the concept of brand equity and evolved the essential components brand awareness, the favourability of the brand, the strengths of the brand and finally the “... uniqueness of the brand associations in consumer memory”. He further defines the drivers of brand awareness, as brand recognition and brand recall. While recognition is the ability of the consumer to “identify the brand under different conditions”, brand recall is the ability of the consumer to identify the brand when given cues towards its assets, intangible and tangible (p. 3)

He further builds the concept that a brand and its communication will create a particular image. Although this idea is not entirely new at the beginning of the 1990s, he takes it to a higher level with his perspective: “... brand image is defined (...) as perceptions about a brand as reflected by the brand associations held in consumer memory” (p. 2). Building on Aaker’s brand equity model, Keller brings the role of the consumer in the centre of the brand concept and develops the “Customer-based brand equity” model: “Customer-based brand equity is defined as the differential effect of brand knowledge on consumer response to the marketing of the brand” (p. 8). Thus, the focus does not only shift towards inclusion of the consumer into the brand equity model; moreover, the value of the brand gets defined as the (re-) action of the receiver of the marketing initiatives. Although he holds true to the company-consumer, respective sender-receiver, information flow, the response or action from the receiver is the value of the branding efforts. In measuring this brand equity value, Keller distinguishes between direct and indirect measures: direct measures, preferably quantitative methods are used to measure the strengths of brand awareness and brand recall, while indirect measures can include qualitative research in order to understand (and measure) the drivers behind brand associations and attributes. He also mentions, that “... marketers should take long-term view of (their) marketing decision” into account as the impact of short-term marketing mix adjustments will impact in the long run brand equity and therefore the future response of the consumer (p. 15).

The customer-based brand equity model introduces two significant shifts in brand research: First, the focus on the consumer as the recipient of marketing communications and the actual reaction of the consumer towards those and the other marketing mix elements. Secondly, Keller (1993) emphasises the inclusion of qualitative research methods into the marketing discipline, which has been measuring the success of brands mainly via quantitative methods until then. However, one could argue that Keller's model does not sufficiently explain other effects of brand and marketing measures on consumers and still implies a positivistic paradigm as point of departure. This could also be contributed to the fact, that in the beginning of the 1990s, the primary focus of brand research has been on mass-market brands from product manufacturers, mainly the fast-moving consumer goods (FMCG) and automotive industries. Keller is one of the first scholars to emphasise the long-term effects, which can be achieved via designated marketing communications or via short-term adjustments within the marketing mix, to the good of the brand and to the bad.

Keller's (1993) introduction of a systemic model describing a brands' identity and the evolution thereof into brand image at the level of the consumer provides a robust foundation for assessing brands and their effects on consumers. Although he does not explicitly mention a higher-order purpose within such brand management, Keller emphasizes the importance of the creation of a lasting "brand image" as an "intangible asset" of a brand, which can create brand attachment (p. 3). This intangible asset could also be related to a higher meaning for a brand's consumers, which would be expressed through the brand's purpose.

All theoretical models and knowledge have been based so far on the evolution of saturated markets and how companies can market their products and services to their customers. The brand definition, as such was limited to the idea, that objects and services as metaphysical objects could be enhanced and value-laden through brand strategy, communicated vis-à-vis the customer. The corporation as such, i.e. the organisation behind those products and services were not in focus of the theoretical ideas.

### **2.3.2 Corporate identity-based brand framework**

In the mid-1990s, a conceptual framework highlighting the “relations between organisational culture, identity and image” was introduced (Hatch & Schultz, 1997, p. p. 356). The focus until then, with regards to brand management, has been on a product (or service) perspective, driven by the management of brands through the marketing mix, over the earlier decades and the attention of scholars towards this. Another main change in the landscape of branding aroused with this, as Hatch and Schultz (1997) suggest; a, until then not regarded, new perspective: From an internal point of view of the company, relating internal (identity) and external (image) perspectives. Although Keller's (2009) emphasis on the response of the consumer to be key in brand management, Hatch and Schultz (1997) took brand management to a new level, emphasising the identity of the overall organisation to be vital in creating an image at the consumer's or customer's mind. They argued that the boundaries of organisations are eroding and therefore outsiders, i.e. consumers and other external stakeholders, will build an image upon what they receive, which must be managed by the firm by managing pro-actively its identity (Hatch & Schultz, 1997). The concept of corporate identity itself is well established in theory and practice (Glanfield, 2013; Glanfield et al., 2017). To start with, this thesis relates with a broad definition of corporate identity, that it is a combined set of constituting values, meanings, corporate culture, principles, strategies and characteristics, which allows their internal and external stakeholders to internalize and adapt to and that the stakeholders can represent this metaphysical set through physical elements, such as e.g. advertising or by referring to it overall in conversations (Glanfield, 2013, 2018; Melewar, 2003; Melewar & Jenkins, 2002; Olins, 1989; Suvatjis & de Chernatony, 2005). Yet, with regards to corporate identity, brand and image, the corporate identity concept can be further broken down.

The concept of corporate identity can be described, more in depth, based on two theoretical constructs; organisational structure and marketing structure. The organisational identity concept “... refers broadly to what members perceive, feel and think about their organisations (...) and is distinctive about an organisation's character” (Hatch & Schultz, 1997, p. 357). Kennedy (1977) already asserted, that consumers' purchase decisions might be more influenced by their image of

the selling company's personality than on functional benefits of the product or the product brand itself. Further, she argues, corporate image is moreover derived from the policies and values in place within the organisation, rather than the marketing communication that might be put in place to build the corporate image (Heding et al., 2009; Kennedy, 1977). Corporate identity is, therefore, linked to the normative, guiding principles and the management of the organisation, which develops these strategies in order to achieve the vision of the organisation (Abratt, 1989; Balmer, 1995).

Olins (1978) developed the corporate identity theme as the *visualisation* of the firm. He primarily suggests that corporations express their identity through visual expressions to create a particular image at the recipient (Heding et al., 2009; Olins, 1978, 1989). Abratt (1989) emphasised that the use of "Visual identity is a part of the deeper identity (...), serving to remind [the organisation] of its real purpose" (1989, p. 68). While Olins (1989) is emphasizing, that he believes in the importance of visual expression to the *outside* of the organisation, Abratt (1989) sees the visual identity necessary to unite the organisation's members and employees *internally* behind their common purpose.

Hatch and Schultz (1997) are also stressing the concept of organisational culture to be significant in creating a corporate identity (and derive a brand identity) and describe the culture, therefore, as having substantial influence on the image created with the outside world. This is increasingly reality in practice, as the inside versus outside perspective is weakening and vanishing in strategy (Burmann et al., 2018; Burmann et al., 2009; Meffert et al., 2014; Meffert et al., 2019). This is due to the increased transparency, and the decrease of information split between in- and outside of an organisation; notably accelerated in the years of the 2000s with the introduction of mobile internet, social platforms and networks (Etter et al., 2019). The creation of the culture though, in this context, is limited to the inner 'behaviour and values' of the firm and excludes any external culture as a defining variable on a brand's identity (Hatch & Schultz, 1997).

Hatch and Schultz's (1997) identity-based framework is built on the interdependent relation of culture, image of the organisation and the vision and values of the organisation's leadership (Hatch & Schultz, 1997).

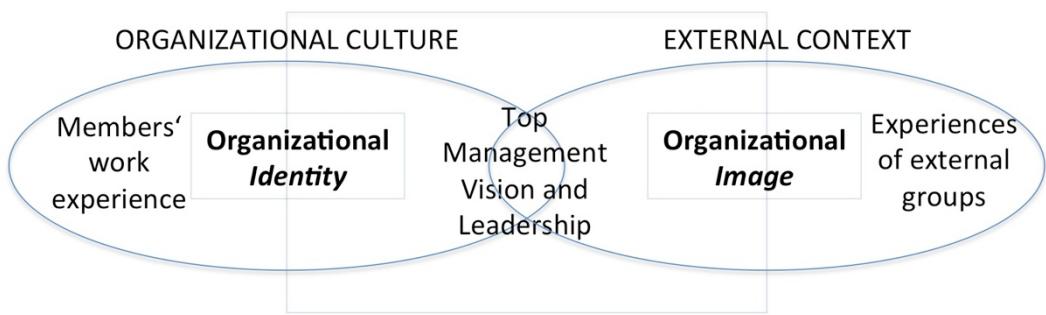


Figure 4 – Culture & Image; source: Adapted from Hatch & Schultz, 1997

Hatch and Schultz (1997) conclude that the approach to managing corporate identity must be balancing culture, internally defining the brand identity and the through that, managing, or at least trying to manage, the desired external image. They also express the need for a more integrated approach across academic disciplines in order to be able to fully understand the roles of the three critical elements in building and fostering the external image.

In 2001 Hatch and Schultz introduced their “Corporate Branding Toolkit”. They draw out the essential relationships between vision, culture and image and dropping the original point of identity is the consequence of balancing vision, culture and (top) management’s actions. The toolkit is supposed to take the applying manager through, by a set of questions to identify the gaps, which need to be closed in order to balance the cycle. Further, they define that a corporate brand is essential to the organisation in order to give customers a sense of belonging and to create a common platform for all stakeholders of the firm (Hatch & Schultz, 2001).

The assertion by Hatch and Schultz (1997) that it is a corporation’s management vision and leadership that drive corporate identity internally and contribute to the development of brand image externally could be related to the implementation of a higher-order purpose in corporate identity management. However, the author’s do not provide further details concerning the elements behind a firm’s vision and leadership, nor do they specifically relate such elements to other concepts, such as mission and purpose.

Although the work of Hatch and Schultz can be considered another landmark in the evolution of brand frameworks, its restricted focus on the corporate organization as the brand object limits its application to brand management in general. However, they have developed not only new thinking in the field of brand management; but also bridged a significant gap between corporate identity theory and brand identity theory.

### 2.3.3 The brand identity framework

Aaker (2000) revisited his brand equity framework from the 1990s almost a decade later and added significant new insights to the brand management with the identity-based approach, jointly with Joachimsthaler. They created a framework within the identity approach, which is not limited to *corporate* branding, but applicable to all kinds of ‘objects’, i.e. single products and services as brands, owned by an organization (D. A. Aaker & Joachimsthaler, 2000). The most significant change versus the initial framework is to broaden the application of the concept towards multiple brands and therefore brand architectures. Secondly, the focus has been previously from the inside to the outside, while the concept of ‘Brand Leadership’ is supposed to manage the brand(s) towards external stakeholders and customers but as well towards internal stakeholders steering the brand, e.g. employees. Additionally he sees the responsibility for the brand higher up in the organization, while in his previous model he agreed with the decades-old position of Neil McElroy, that the brand management is lower in the hierarchy of the firm (D. A. Aaker, 1991, 1996; D. A. Aaker & Joachimsthaler, 2000).

Brand identity is defined as the aspirational “vision of where the brand should be perceived by its target audience” (D. A. Aaker & Joachimsthaler, 2000, p. 27).

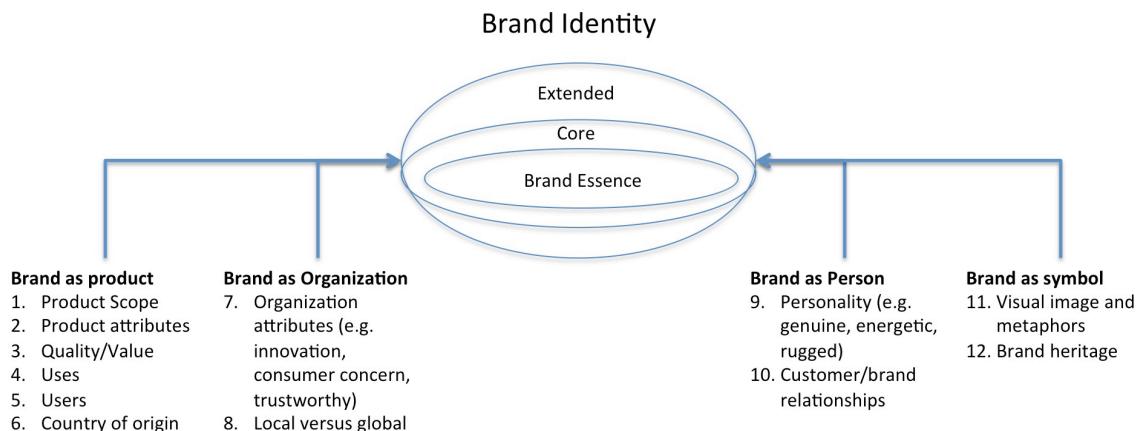


Figure 5 – Brand Identity; source: Adapted from D. A. Aaker and Joachimsthaler (2000)

Brand essence is the narrowed form of the extended and the narrower core statement. This statement is supposed to encapsulate the vision for the brand, regardless if the brand is attached to an organization, product or several products. It is supposed to be the statement that is derived from the long-term vision and will differentiate from competition while appealing to consumers respectively customers in case of multiple-stage sales funnels (external view).

Further, it should be compelling and aspirational to inspire the employees working on the brand (internal view). Thus, brand essence statements can be interpreted in multiple ways, depending on the perspective of the viewer; is it consumer, employee or shareholder, yet the core message should be the same. Also, the desired motivational reactions can be different. However, the authors argue, that it is not supposed to be limited to a claim, used in advertising, as it should be the heart of the brand and, therefore, endure over the whole lifecycle of the brand. This time span is often opposed to more frequently changing advertising campaigns which can and should change to fit into the current zeitgeist. The brand essence, core and extended identity should be seen from four perspectives: product, organization, person and its symbols in order to achieve a balanced identity framework (D. A. Aaker, 2009, 2014; Janonis et al., 2007). For example, D. A. Aaker and Joachimsthaler (2000) compared the Adidas and the Nike brand. The brand essence and core of Adidas is about “active participation”, the extended personality of being “genuine, energetic, supportive” (p. 185),

while Nike's essential brand core is about "winning" and its extended personality of being is about an "aggressive, spirited and cool" characteristic (p. 173). With this example, the authors provide their conclusion of the four dimensions of the brand identity summarized in simple and therefore media-transferable ways. This is important, as the idea was not to tailor a communication strategy with any media in mind but to build identities, which last over time and are transcend-able in trends and consumer-sports developments.

Aaker and Joachimsthaler (2000) are the first ones to provide with 'Brand Leadership' a holistic framework about brand identity, unrelated to corporate or product identity as its foundation. Holistic in terms of including visual expression of the brand, as emphasized by Olins (1989), but also including a brand's personality as being crucial to the brand image (J. Aaker & Fournier, 1995). Further, it includes the organization's identity and image relation as suggested by Kennedy (1977) and later elaborated by Hatch and Schultz (1997) and, finally, including the operative management perspective, which is based on the marketing mix framework (Borden, 1964; McCarthy, 1964). As such, it is probably the most complete brand management theory and framework regarding brand identity. Further and noteworthy, its development relies on quantitative as well as qualitative methods, as not only the impact of the brand model is assessed but also the questions of 'What' and 'Why' and to 'Whom' are covered in their work; which is a significant change and contribution to a deeper and broader understanding of the brand as a social construct overall in scholarly research. However, it is still based on the paradigm that brand building works in a linear manner, i.e. the marketer communicates to the consumer or customer and will then create an image of the brand and the targeted object will take the desired action.

However, Aaker's and Joachimsthaler's (2000) brand identity model is not the only one developed in the recent evolution of brand identity as a theoretical construct at the core of brand strategy. Although, in its constitutional foundations comparable with the other brand identity approaches, there has been critique from other scholars, foremost from Kapferer (2015), de Chernatony (2010) and Burmann (2018). They agree on parts of all identity concepts, more precisely, that the company, or organisation, as the owner of the brand, is the ignitor of its

strategy. I.e. it is through the company's members activities, that the brand is defined, communicated and finally received by the targeted audience, which then builds its brand image about the brand. Thus, all brand identity concepts agree on the brand-initiating participant, the company. It is then the company's through communication, and other activities of the firm, that this identity becomes portrayed towards a pre-selected target audience. This audience, in most cases consumers and potential as well as existing customers, will derive then a brand image. The objective of the creation of such a brand image is to foster a loyal relationship between the brand and its consumer. This systemic foundation has been studied in-depth by several scholars, and its mechanism is accepted broadly (Burmann et al., 2018; Burmann et al., 2009; Christodoulides & de Chernatony, 2010; de Chernatony, 1999; de Chernatony & Riley, 1998; De Chernatony et al., 2011; Kapferer, 2008, 2015; Meffert et al., 2014; Meffert et al., 2019; Suvatjis & de Chernatony, 2005).

Consequently, Kapferer (2015) proposes to see the brand as a construct, which is constituted by six elements, shown in Figure 6, which he combines into a model, he refers to as the Brand Identity Prism. He argues, that "... in order to become passion brands, engaging brands must not be hollow, but have a deep inner inspiration. They must also have character, their own beliefs, and as a result, help consumers in their life, and also in discovering their own identity" (p.158). He asserts, that although a brand is physical and therefore tangible through its products or services, that the essence of the brand is about the creation of an idealistic belief. The physical elements of the brand should be wrapped in a characteristic personality, which succeeds with the customers', or target segment's, personalities. Then, accessibility to the brand will be eased, as people seek characters which are more like them, rather than different. The brand's ideal is embedded in the brand's culture and according to Kapferer "... the most important facet of brand identity" (2015, p. 159). This intangible, metaphysic concept of culture through a distinctive ideology is highly relevant to conducting business. "The need for meaningfulness ..." is becoming an increasing consumer-need in itself, given that in most "... advanced countries, hyper-consumption creates emptiness: we know that (...) accumulation of goods does not create happiness". (2015, p. 160). Thus, the brand identity must

significantly move beyond tangible benefits to provide intangible benefits, which allow for self-identification of the target group with the brand itself. When brands provide those intangible, emotional benefits, the relationship with the customer will be more profound as the brand image is resonating on an emotional, more profound level. Thus, the tangible asset of the brand itself may fulfil a basic need, but differentiation and brand attachment will be fostered through the brand's idealistic beliefs and culture. Through the ability of brand manager's reflection of the customers' emotional needs and beliefs, they can provide a matching and congruent brand identity then, which allows the customer to enhance her self-image through the consumption of the brand.

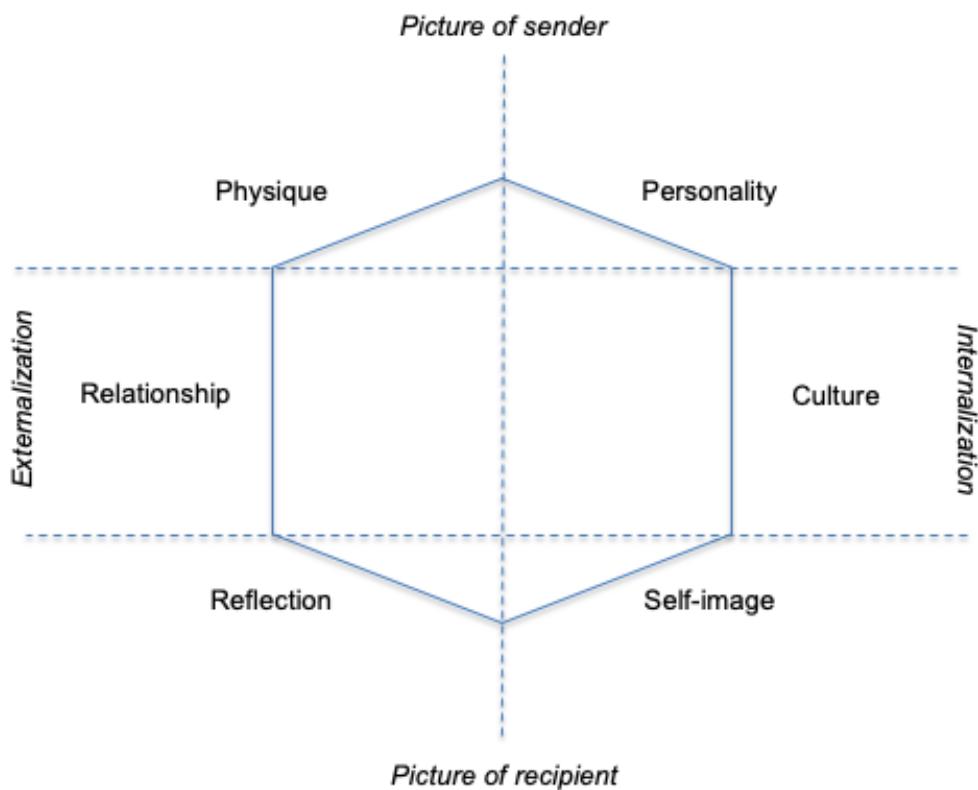


Figure 6 – Brand Identity Prism; source: Adapted from Kapferer (2015)

De Chernatony (2001, 2006, 2010) aligns with Kapferer's (2008, 2015) idealistic brand concept. He asserts that the cultural aspect of the brand is the "... central idea of a brand and how the brand communicates this idea to its stakeholders" (2010, p. 53). Although de Chernatony splits the cultural element of the brand's

strategy into a brand vision and brand culture, it can be seen foundationally the same as Kapferer's (2015) 'brand prism' model.

Both Kapferer (2015) and de Chernatony (2010) emphasize a brand's idealism as a metaphysical foundational element, which Aaker and Joachimsthaler (2000) do not in their model of brand identity. This emphasis could represent another perspective on higher-order purpose in brand strategy, as the creation of meaning for the consumer through the implementation of a higher-order purpose, could likely also be framed as 'brand idealism'. However, Kapferer (2015) and de Chernatony (2010) do not mention this brand idealism concept explicitly. It seems, however, to be increasingly accepted among scholars and practitioners alike that a brand strategy should attempt to develop a brand identity based on an idealistic, belief-based concepts to form and foster emotional-laden relationships with the customer (Burmann et al., 2009; Chernev et al., 2011; Henderson & Van den Steen, 2015; Huang, 2009; Kotler, 2016; Sheth & Solomon, 2014; Wheeler, 2013). However, again, there is no explicit mention of purpose, or higher-order purpose, in the construction of a brand or the implementation of such a purpose within a brand strategy.

Burmann et al. (2018); Burmann et al. (2009) critique the 'Brand Leadership model' (Aaker, 2000) for being narrowly focussed on brand identity, which they refer to, as a too simplistic "inside-out view", while leaving the brand image, its measurement and reverse influence on the brand itself aside, which they refer to as a necessary "outside-in view" (Burmann et al. 2009). They acknowledge that Kapferer's (2015) and de Chernatony's (2010) models and perspectives provide this combination, as they consider both views. Both views are connected through the customer or consumer, who then form a relationship between the brand identity (sender) and brand image (recipient). As such, both views are foundational when managing a brand. Kapferer's (2015) argument is supported by Burmann et al. (2018), who clearly outline, that "Before projecting an image to the public, we must know exactly what we want to project" (p. 151). However, Burmann et al. (2018) assert, that also the competence-based-view of the firm is foundational to define a brand's identity, the consumer or potential target segment's needs and beliefs need to be considered. It is then only through the combination of the outside-in, and the inside-out view that a brand's idealistic

meaning can become relevant to the consumer and therefore enables a significant formation of a relationship between brand and consumer. This relation is established through the various contacts the consumer has with the brand, Burmann et al. (2018) refer to as “brand touchpoints” (p. 14). Importantly, those touchpoints are not limited to advertising or communication from the brand’s owner overall, and rather it is defined as any contact, physical or metaphysical the consumer might have with the brand identity. Beyond advertising, this could be for example, when the consumer talks or thinks about a brand, or it is product or service. Therefore, brand management does not only convey the establishment of the brand identity but rather to deduce strategically and tactically all touchpoints of the brand and the consumer to provide a positive impression of the brand overall. This positive impression is, of course, related to functional benefits of the product or service per se, but beyond that, also implies the transmission of the brand’s culture, its idealistic beliefs and values. Then the recipient of the brand, the consumer, will create a lasting brand image in mind, which can be used as a reference when conducting purchase decisions. Thus, through the brand touchpoints influence on the consumer, the brand image is formed and constitutes a relation between the brand image and brand identity (Burmann et al. 2009; 2018). Only through this then, brand attachment is established, which can lead to the desirable cycle of brand loyalty, resulting in increase in purchase frequency, recommendation of the brand towards others and moreover a deep and profound trust towards the brand (Batra et al., 2012; Fournier, 1991; Gómez-Suárez, 2019; Shahid & Farooqi, 2019; Wallin & Coote, 2007).

#### **2.3.4 Relationship theory and the brand community framework**

In parallel to the development of brand identity as a managerial tool in business, the concept of the brand was assessed from a different perspective, which had the customer in mind and more specifically the relation the individual customer might have to the desired brand.

##### **2.3.4.1 Relationship theory in brand research**

In 1994, Grönroos challenged in an article that the past decades have been dominated by the marketing mix concept, and this has done much harm. He

argues, that the concept itself is not wrong, but that already McCarthy (1964) did probably misinterpret the original concept from Borden (1964). In his view, the marketing mix is oversimplified and cannot deliver substantial value to increase a brand's strength. He argues that the focus is too narrow on sales and short-term objectives and moreover too much skewed towards the consumer goods industry with little value in other – as I already highlighted as criticism from other scholars (Grönroos, 1994). Grönroos introduces a brand concept called 'Relationship Marketing' that shifts the focus away from product and positioning towards the relationship between the seller and the buyer. Relationship marketing has been an essential notion in service and business-to-business marketing as in personal service and long-term relationships in business-to-business markets the *relationship* itself is crucial to business success (Bitner et al., 1990). Grönroos highlights that it is, therefore, the *relationship* which marketing and branding efforts should aim at, to develop lasting consumer relationships with the brand. This will consequently then translate into repeat purchases and therefore higher overall value and revenues to the brand owner, than the 'next transaction-focused' marketing mix concept (Grönroos, 1994).

Also Kotler (1992) thought in the direction of shifting more attention in marketing and brand communications towards the relationship, away from the 'object of desire' in order to foster longer-term oriented seller-buyer connections, which then should deliver higher overall revenues to the brand due to a lasting relationship over time and less threat from consumers switching to competitive offers.

In 1998 Fournier published her article on 'relationship marketing', which can be considered a turning point in the evolution of branding. This is because she thought out to not only establish the theoretical base for the framework but also the framework itself: Brand relation theory can be seen as the extension and broadening of the concept of 'brand loyalty' (Heding et al., 2009).

Fournier wanted to answer "... the basic question, of whether, why, and in what forms consumers seek and value on-going relationships with brands" (1998, p. 343). Her findings built on her phenomenological study – noteworthy, because phenomenological research departs from the positivistic worldview towards

constructivism, that reality is socially constructed, rather than externally objective – quite a significant change versus the positivistic philosophical underpinning which dominated marketing and branding research for decades. Fournier has chosen this approach as relationships themselves, are highly subjective and moreover part of the construct of the ‘inner self’ in the quest of human mankind for meaning for their self (Fournier, 1998; Heding et al., 2009).

Fournier classified 15 different brand-consumer relationship types and derived a preliminary model of brand relationship quality and the effects on relationship stability, shown in the Table 1 (Fournier, 1998).

<u>Relationship form</u>	<u>Character</u>
Arranged marriages	Imposed by preferences of third party
Casual friends/buddies	Friendship low in affect, somewhat superficial
Marriages of convenience	Long-term, precipitated by external influence versus individual choice
Committed partnerships	Long-term, voluntary and individually chosen, socially accepted and supported
Best friendships	Highly specialized, situationally confined
Kinships	Non-voluntary with lineage ties
Rebounds and avoidance	Union precipitated by desire to switch current or previous choice
Childhood friendships	Infrequently but engaged, secures
Courtships	Interim state
Dependencies	Obsessive, emotional, Separation yields anxiety
Flings	Short-term, emotional rewarding but low commitment
Enmities	Intense, with negative affect and desire to avoid pain on the other
Secret affairs	Highly emotive, privately held, not exposed to others voluntary
Enslavements	Nonvoluntary union dominated by the brand

Table 1 - Typology of consumer-brand relationship forms; source: Adapted from Fournier (1998), p. 362

Fournier's work can be seen as a landmark in the evolution of brand research, also from a research paradigm point of view, as she has added significant new insights to brand management overall. However, she is building further on Aaker's (1990) and Keller's (1993) Identity-based brand theory, as the application of the relationship-based brand theory is only possible with the prerequisite of constructing a brand before, i.e. brand awareness is constitutional to the brand, relationship branding a further step towards brand-loyal customers. It can be used as a base for further quests into the understanding of the connection between other brand frameworks, e.g. the identity-based brand framework, and how her findings would impact the construction of the brand framework itself or the brand management process of an established brand.

Fournier's (1998) proposal concerning the existence and various forms of consumer-brand relationship could provide support for the integration of a higher-order purpose in a firm's brand strategy. In particular, the long-term orientation of certain relationship forms (e.g. "committed partnerships") could potentially be related to the integration of a higher-order purpose in a firm's brand strategy. As discussed previously, it is increasingly accepted among scholars and managers that the integration of a higher meaning, through a higher-order purpose – as the brand essence within the brand's identity, could lead to increased customer attachment to a brand (Aaker, 1991; Keller, 1993; McCracken, 1987).

When brands and consumers can form relations, as consumers can with consumers as human beings, then they could also unite in groups and enhance their relations.

#### 2.3.4.2 Brand community framework

The conceptual idea of the 'brand community' is taking the relationship concept to another level. Muniz and O'Guinn (2001, 2005) developed the concept, based on the idea that the consumer-brand relations suggested in the relationship concept are not only bi-directional, but moreover the relations are formed in a triad. They define the brand community as "... a specialised, non-geographically bound community, based on a structured set of social relationships among admirers of the brand." (2001, p. 412) Muniz and O'Guinn (2001) found three key elements to be significant in brand communities, as shown in Figure 7.

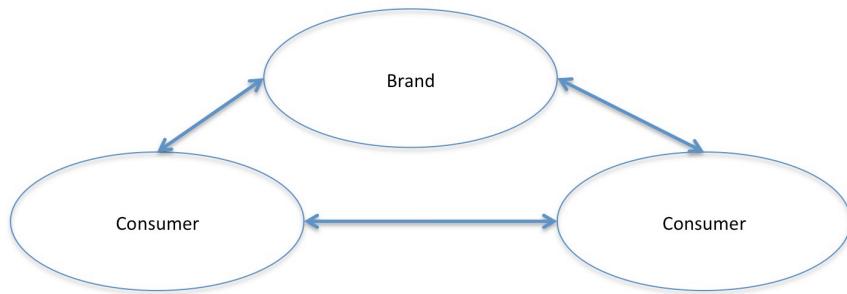


Figure 7 – Brand Community; source: Adapted from (Heding et al., 2009)

Members share a common interest in each other as they feel attached, connected by the same brand. Thus, the brand functions in the community as ‘the glue’ that not only brings together its members but moreover drives some sort of loyalty to the brand on the one hand, to the other members on the other hand. Secondly, there is a certain “legitimacy” to be part of the group. Members differentiate between *faithful* members who are engaged as of a certain level with the brand, but also with the community and on the other side some *try to be part* of the group but do not reach that level of “legitimacy” as *true* members. Third, there is “oppositional brand loyalty”: Members of the group of a particular brand *proactively* dismiss its competitor brand(s). “Through opposition to competing brand, brand community members derive an important component of the meaning of the brand” (2001, pp. 419-420).

The brand community goes beyond sharing a common interest or passion for a shared brand. Muniz and O’Guinn found further that within brand communities shared “rituals and traditions” play a crucial role. Those create an even stronger feeling of belonging; belonging within the triad means belonging to the community, of which peers and the brand itself are part of the community (2001, pp. 421-422)

One could go even further and argue, that the brand – or its intangible attributes and associations - ‘belong’ to the community: “... [brands] are social entities experienced, shaped, and changed in communities” (Brown et al., 2003, p. 31). This ‘extreme’ with regards to the ‘classic linear branding approach’ is probably leaving out one component: the brand needs to be manifested first before it

actually can become part of the triad. Manifestation of the brand means, at least, to define as the brand manager what the attributes and properties shall be.

However, the power of communities, once forming around a brand, can be seen as significant in the management of the brand as the sharing and development of the brand could be, at least, influenced by the communities' members actions and communications. This can be on one side with their relationship directly to the brand, but even more with their relationship with their peers within the community. Thus, the role of the brand owner is to steer, and if not possible, to at least influence the community towards a desired outcome, i.e. building and fostering the brand image in the sense and strategic intention of the brand identity defined by the brand owner.

From a research paradigm perspective, the research methods applied in brand community research is mainly (net-) ethnography to study the socio-cultural interaction within a brand community. Although the insights generated with such methods can be of rich nature in terms of in-depth understanding, but also limit the application towards other brands (Heding et al., 2009). One could argue that there are brands, which have achieved to foster a 'brand community', like Apple, but there might be a significant number of brands that will not achieve this. This could be true especially with regards to lower involvement industries or categories, where brands are reduced merely to their functionality, like toilet paper for instance (Kapferer, 2008).

The brand community framework can be applied in practice especially with regards to the development of ubiquitous accessible forums, such as online groups and social media, and brand managers do so by e.g. implementing social media managers in their organizations. This is an effective way of engaging with customers and bridging a potential distanced relationship between brand and consumer. Consumers increase their engagement and enhance their relationship towards the brand through input factors, such as personal identity involvement, interaction with others and through that experiencing the brand essence. Output factors are constituted as enhanced identification with the brand, trust in the brand community and derived from that enhancement of the brand relationship and brand commitment (Carvalho & Fernandes, 2018). But as Schembri and

Latimer (2016) assert, moreover, it allows consumers to communicate with like-minded consumers, i.e. comparable relationship-types can find themselves and enhance their relationship towards the brand autonomously, which then enhances the commitment between and towards the respective brands. This exchange and interaction specifically can foster a brand culture among the members of the community, through reproducing construction of self and ritualistic practices. Those then are not limited to the online community but are then taken further back into ‘the real world’ and affect consumption habits. Thus, forming brand culture is a major outcome of brand communities and is assumed to have direct impact and effect on the brand’s business performance.

Although no explicit mention of higher-order purpose concerning brand community frameworks could be found in the current body of theory, the emphasis on fostering a community among brands’ consumers, where they can enhance their self-identity construction, could provide a foundation for the brand owning firm to introduce a purpose-driven brand. If higher meaning through higher-order purpose are found to be significant in the establishment of brand relations and communities, as suggested before, then the introduction of such into a brand community, via the strategic management of the brand identity, can create a lasting brand image with the brand’s consumer. This may enable the consumers’ self-identification and construction through brand image by consumers’ consumption of purpose-driven brands.

### **2.3.5 *Culturally based brand framework***

While brand communities form a kind of brand culture among themselves, with the change to the new millennium a new perspective aroused in brand research; the long-hyped and often cited as best-in-class brands of (mainly) North America, such as Nike, Starbucks and Apple, faced some severe controversies. Klein (1999) introduced some severe critical writing on brands: she argued that the culture and the heritage of people are under threat from ‘corporate America’. She hypothesises that the ‘big corporate brands’ are more and more taking over the shaping of the culture in the mass-consumption age and people are not acting to their free will. Further, she warned, the culture will shift towards the sole goal of consumption, driven by the marketing of brands. Starting from her ‘call to action’

a movement against those big corporate brands started as people reflected more on their consumption habits and the impact on their personal life (Lasn, 2000). Holt (2002) started to research on this issue. Importantly to note, he did not seek out to counter the movement and defend brands; moreover, he synthesised both standpoints in order to provide a base for discussion. The core of the challenge was, that until then, brand management in theory and practice didn't really know a critical discussion between consumer and seller – if at all, the ‘formulation’ was quite plain and hollow: “You like the brand you buy it, you don’t, then you don’t” (Askegaard, 2006, pp. 91-93). Holt set off to change this mantra by providing an analysis first on the underlying social phenomena. He asked, what it could be that caused the movement against those brands, which have been ‘celebrated’ by consumers and marketers alike over the past decades before – and still were ‘Lovebrands’ to many consumers (Roberts, 2004). With the provocative starting point “Why do brands cause trouble?” (2002, p. 70), Holt introduces the “Cultural Authority Model” into the discussion, which elaborates “Consumer culture refers to the dominant mode of consumption that is structured by the collective actions of firms in their marketing activities” (p. 71). Corporates market their brands with significant cost investment into mass media and shape their messages professionally, in most cases with the support of ‘an army’ of experts such as advertising agencies. With the introduction of the strategic planning function in agencies over the past two decades, also psychologists have been employed to help the brands achieve in-market success. This ‘machine’ can look quite scary if uncovered to consumers. If misused, the damage to the overall culture and at the individual level might be done before notice. Consequently, the uncovering of these ‘influencing machines’ by authors like Klein (1999) and Lasn (2000) and the - at that time almost omnipresent - media coverage on the topic led to severe opposition against established and well-known brands.

Holt (2002) declares that postmodern consumer culture, which is to build personal sovereignty through (the consumption of) brands, has been arising already in the 1960s, when brands such as Coke have become part of a particular way of life or lifestyle. That also has been the start, where marketers learnt to implement their branding and marketing efforts into the *Zeitgeist* of the current consumer culture to drive sales and profit of their respective brands. This has

also been driven by the rise of professional advertising agencies like Ogilvy & Mather and DDB, which have developed advertising according to and embedded within the current *Zeitgeist* in order to achieve higher involvement with the recipient and thus delivering better business results for their clients. Contrary to Klein (1999) and Lasn (2000), consumers did not see those brands as 'bad intruders' but added those brands to their life to enhance their selves. Thus "... the postmodern paradigm is premised upon the idea that brands will be more valuable if they are offered not as cultural blueprints but as cultural resources, as useful ingredients to produce the self as one chooses" (Holt, 2002, pp. 82-83). In Figure 8, the view of Holt (2002) on the paradigmatic shift in brand building is shown.

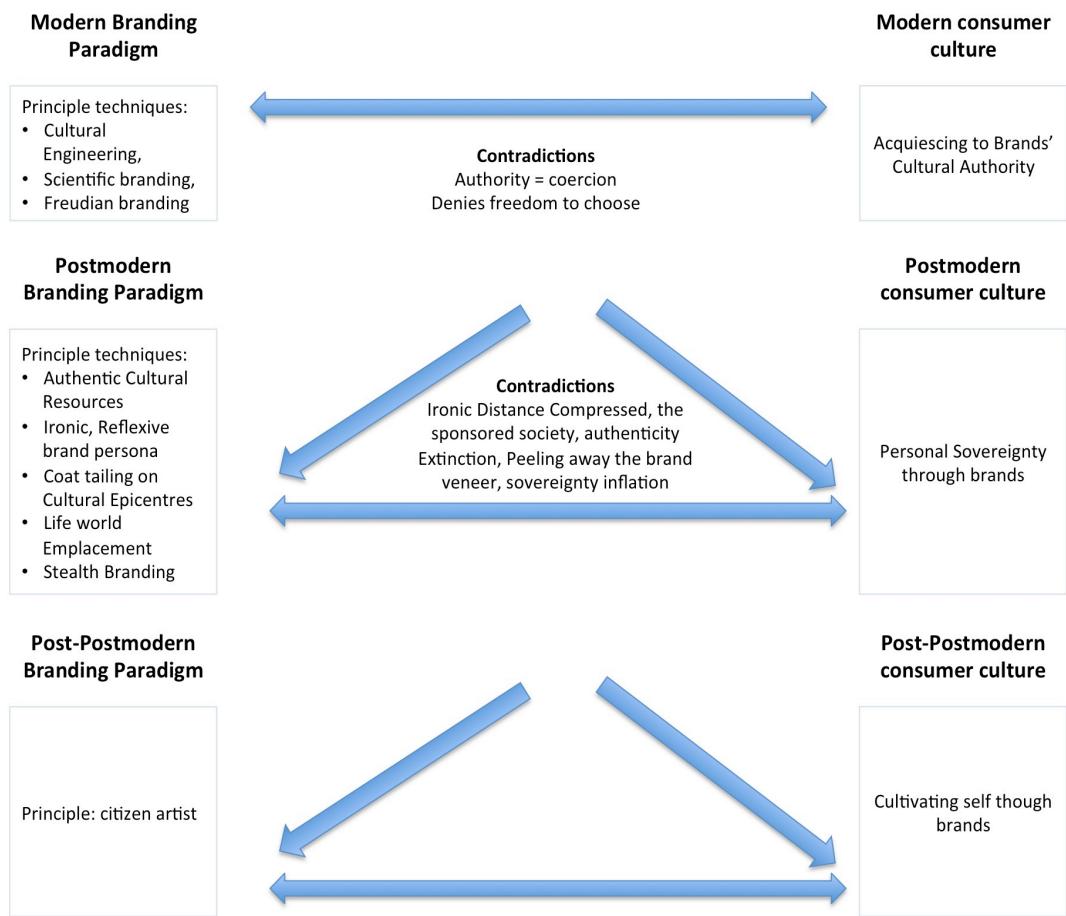


Figure 8 - Dialectical model of branding and consumer culture; source: Adapted from Holt (2002)

Holt (2002) proposes the theory of the “Post-Postmodern Branding Paradigm” which constitutes future successful brands as being “citizen artists”. This will be driven by the on-going increase in transparency and knowledge sharing within (brand) communities and as such the ultimate brand (and business) objective of creating profits to the owner will no longer be ‘hidden in the mystery’. Therefore, consumers will gravitate to those brands, which offer them an enriching part to produce their selves within their (sub-) culture. This development is driven by the multiple interceptions of changing lifestyles towards more sustainable habits in the ‘Western World’ and moreover general phenomena in saturated markets. Thus the way of consumption will change towards those ‘consumption rituals’ where people can add meaning to their selves when the brands deliver such (Askegaard, 2006; McCracken, 1988). McCracken (1988, p. xi) argued, “The meaning of consumer goods and the meaning creation accomplished by consumer processes are important parts of the scaffolding of our present realities. (...) certain acts of self-definition (...) would be impossible [without].” He asserted that consumers derive meaning from brands and the process of consuming or interacting with those. They start in a cultural context-rich environment and derive the original meaning for the used or consumed brand towards their self-identity.

Holt’s (2002, 2004) post-postmodern branding paradigm and its counterpart, the post-postmodern consumer culture perspective, may provide additional support for the potential significance of higher-order purpose. When consumers start searching, selecting and finally attaching to brands on grounds beyond product functionality and start to use brands to cultivate their selves, then meaning, as proposed by McCracken (1987, 1988), may possibly be asserted in a brand’s image through the integration of a higher-order purpose within its brand essence, as Aaker and Joachimsthaler (2000) proposed. Consequently, the creation of such a higher-order purpose would to be central to brand identity development and a brand could become a metaphysical asset to a firm. While Holt (2002, 2004) does not explicitly propose this, the concept of a brand becoming a metaphysical consumption object itself might align with his idea of brand identities as reflections of the current zeitgeist, which he proposes is centred around

increasing consumers' consumption orientation regarding sustainable, value-laden aspects.

There also have been first attempts to assess which brands perform better on integrating themselves (i.e. their identities) into the current Zeitgeist and therefore culture to enhance the before mentioned transfer of meaning from brand to self-identity. Holt develops a model, defining a composition of cultural brand strategy, which is shown in Figure 9. Those brands get labelled 'Iconic brands' (Holt, 2004).

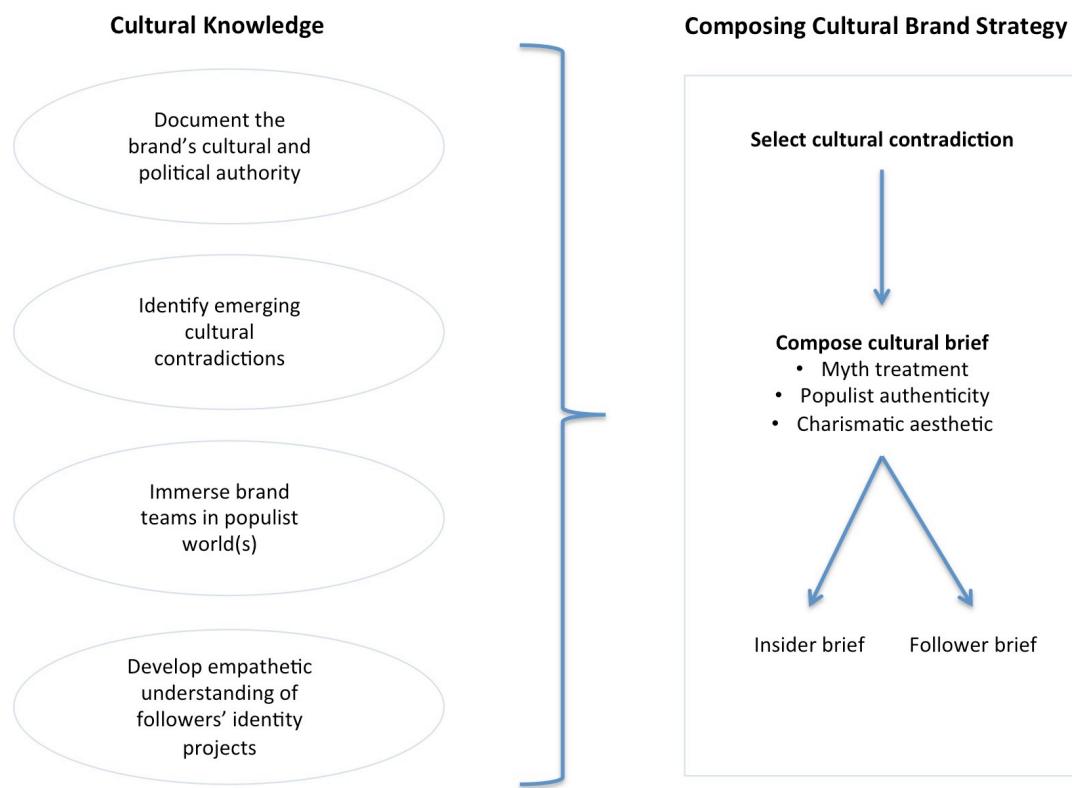


Figure 9 - The Cultural Brand Management Process; source: Adapted from Holt (2004)

At the centre of the model is the development of a 'brand myth', which is based on current cultural trends and developments. This then gets implemented in the overall brand strategy. One could argue, that this model is not ideally suited to explain and deliver a brand strategy, in terms of providing long-term identity and positioning as D. A. Aaker (1991) has set up, for long-term brand success and later D. A. Aaker and Joachimsthaler (2000) implemented in the identity-based brand framework. Instead it could be seen as a model to steer mid-term

orientated communication campaigns and therefore attach myth, based on the current Zeitgeist, to the brand. The risk might be, that the long-term brand strategy could get diluted if major changes occur and as such the positioning would be obsolete.

Further, the model does not treat, at least not in-depth, the issue of positioning against competitors with the same offering. Holt suggests that in order, "... to systematically build iconic brands, companies (...) must assemble cultural knowledge, rather than knowledge about individual consumers" (Holt, 2004, p. 209). This could be seen as 'reaching a bit over the top', given the success<sup>3</sup> of brands that Holt defines as 'Iconic Brands' can be linked back to also fundamental and in-depth consumer understanding (D. A. Aaker & Joachimsthaler, 2000; Berger, 2013; Stengel, 2011). Thus, the future might lie in the balance of cultural understanding and in-depth consumer know-how, on an individual but also on an overall level in order to create 'Iconic brands'.

Notably, to investigate the issue Holt chose to apply qualitative research with the extended case method, to gain a fundamental and in-depth understanding of people's habits and feelings in their daily life consumptions. The data collection has been done by narrative interviews (Holt, 2002). This is worthwhile mentioning, as it proves that qualitative methods on the one hand, but moreover constructivism and interpretivism have entered finally the marketing and brand research discipline.

Also, Askegaard (2006) highlights the importance of including interpretivism in brand research in order to be able to fully understand, if one can at all, the complex socio-cultural environment of the relationships between consumers, brands and the respective brand owners. This can be seen as another landmark in the evolution of research paradigms in the field and the end of the 'positivism-only' mantra, which has been around over the past five decades with its roots in the neoclassical economic assumptions from the beginning of the 20<sup>th</sup> century. Therefore, one could conclude, epistemic assumptions have moved beyond the positivist approaches in brand management research. There seems to be an

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<sup>3</sup> Success being loosely defined as market share, profit and brand strength in this case.

increasing acceptance and application of interpretive ways of researching and analysing the market, especially when confronted with more complex questions and challenges, such as consumers' values and a belief-oriented brand identity establishment. Yet, with brands being increasingly accepted and seen, by scholars and practitioners alike, as constructs that are (at least somewhat) independent of the physical object per se, seen ontologically this would be more resonant with a realist perspective. Otherwise, from a purely constructivist ontological view, brands then could not be managed, one could argue, as the derivation of meaning from the brand identity would be individual and every consumer might conclude on differing beliefs and aspects. As such, the construct of the brand, ontologically, is rather an independent object. Independent of a single person's view, but an overall managed construct that becomes a universal object in itself.

## 2.4 Conclusions on brand management and brand strategies

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Branding and brand strategy have come a long way: From being perceived just a marker on products, via a passively constructed result of the marketing mix towards metaphysical objects themselves. Based on the ladder, new conceptualizations emerged, mainly the base for all of today's' brand management efforts, the brand identity system. Brand identity as the strategic focal point of brand managers has become a major part of business management, allowing for further enhancement of the brand as independent object – unbound of products or services, but serving as systemic shelters for those products- and service-portfolios to adapt and change over time.

D. A. Aaker (1991, 1996), de Chernatony (2010), Burmann et al. (2009, 2018) and Kapferer (2008) defined a brand as 'identity' by the brand owner who will create an 'image' at the customers' mind to favour the own brand over the competitive one. The brand identity construct itself is constituted through physical and metaphysical elects by the sender. While this is established through brand management of brand touchpoints, those experiences can then lead to a relationship between the sender's brand identity construct and the recipients' brand image construct (J. Aaker & Fournier, 1995; Cova & Cova, 2002; Fournier, 1998; McAlexander et al., 2002; Muniz & O'Guinn, 2001). Holt's (2010) assertion

emphasizes that the metaphysical elements of brand strategy are becoming increasingly important, especially in competitive and crowded markets. This is due to an observed decrease in physical and functional uniqueness of the products or services. Consequently, the positioning of the brand among the target audience to become perceived as distinctive and therefore lead to superior choices by its customers, over competitive offerings, needs to be related to a metaphysic, belief-oriented branding.

Higher-order purpose is not mentioned explicitly in the current academic literature on brand and marketing strategy. However, the significance of such a higher-order purpose and value-oriented elements in relation to the development of brand strategy for the firm overall, and its products, is alluded in the literature. The conceptual idea regarding the significance of a brand's meaning to the consumer has been well established (e.g. McCracken, 1987; Aaker & Joachimsthaler, 2000; Fournier, 1998; de Chernatony, 2010; Holt, 2002, 2010; Kapferer, 2015; Burmann et al., 2018). However, the body of knowledge lacks a theoretical foundation, and an applicable model in practice, that addresses the integration of higher-order purpose in brand and marketing strategy.

The overall process from physical and metaphysical elements' constitution, through the derivation of a brand identity, the projection of a brand image at the recipients' mind and the consequent establishment of the relationship between brand identity and brand image are summarized in Figure 10.

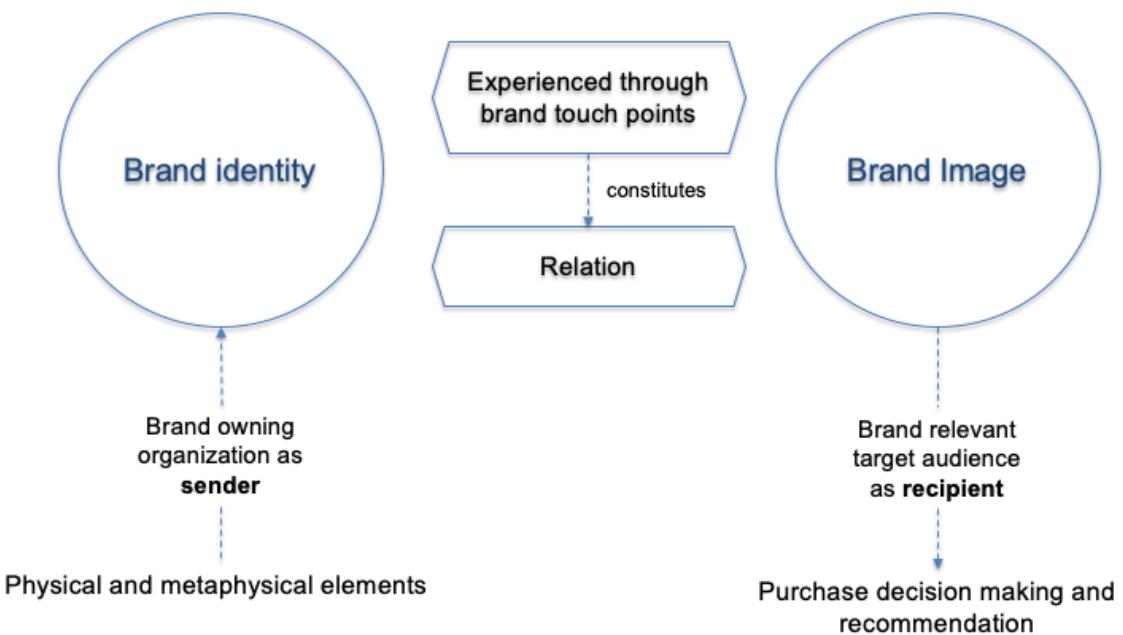


Figure 10 - A systemic brand identity-image framework

The brands themselves have become strategic assets to the firm, and brand managers need to manage them within a complex, multi-layered system of consumer contexts, choices and preferences. Also, there is growing evidence that an idealistic belief, such as a higher-order purpose, is a significant element of brand strategy, but the lack of understanding and theoretical foundation does limit its applicability and prevents further research. The following part shall outline the current debate and state of knowledge to this belief-driven, higher-order purpose-oriented element in brand strategy.

## 2.5 Purpose: Finding meaning in corporate and brand strategy

Higher-order purpose and meaning have been discussed in brand and corporate strategy for a while. Yet, there is no overlap between both disciplines in the theoretical body of knowledge made explicit, while in practice both, corporate strategy and brand strategy, overlap significantly. Thus, I provide an overview in the following among both parts and then conclude on the potential overlaps and potential insights which could be gained by their comparison.

### 2.5.1 Higher-order purpose and brand strategy

Over the last decade, the notion of brand purpose has become the rising element in brand strategy. The Association of National Advertisers (ANA) in the USA

called out ‘Brand Purpose’ as the “marketing word of the year” (Mandese, 2018, para. 1). Yet, the approaches to define brand purpose are somewhat vague and not actionable so, such as, e.g. the 2016’s definition from WARC, defining brand purpose as “... a reason for a brand to exist beyond making a profit” (Aitken, 2017, para. 3). Still, in 2019, there is little research and theoretical knowledge in this field of purpose-driven brands, especially when it comes to a fundamental understanding of what purpose actually shall mean in the brand management and business strategy context (Baumgarth et al., 2019). The latest addition to those vaguer definitions of ‘brand purpose’ is in-line with previous ones, e.g. offers the latest (2019) publication of the well-established academic book series *Kellog on Branding*, which is initiated by Philipp Kotler, only another, similar, rough approach: “Why does the brand exist (beyond the goal of financial gain)” (Stengel et al., 2019, p. 13). Also, when looking at practitioners, the current importance of purpose seems to be ubiquitous, as the CEO of Danone argues, that every business must provide a bold purpose and deliver against it through the action of their brands, but again not asserting how that purpose could be constructed more specifically (White, 2019).

The importance of such higher purpose seems to be almost undoubted in practice globally, as even the *World Economic Forum*, the global, annual meeting of politicians and business leaders, has set a corporation’s purpose on the top of their agenda for over two years. For the 2019 meeting, the statements go that far, that the participants should expect that the “... CEO of the future will want their companies to be recognised as forces for good (...)" and it will be a question of corporate survival, no luxury anymore to be purpose-driven as a corporation (Zapulla, 2019, para. 4). This is in line with increasing evidence that being purpose-driven and integrating this higher purpose into the business and finally representing this through the brand strategy is matching an increasing expectation of consumers: The annual *Global Millennial Survey*, of the consulting network *Deloitte*, re-enforces this in their latest report, as 44% of the polled participants expect business to “(...) have a positive impact on society.” (*Deloitte Millennial Survey*, 2018, p. 5)

The only commonality seems to be among all those (vague) definitions, that brands shall exist as constructs not only as a financial asset to the firm but for

another reason. Critically, I would argue these statements as being evident and descriptive, as the effects of brand management on the consumer and customer are known to be not perceived as financially only. Further, they do not provide any guidance, systemic understanding or theory on what those brands shall consist of, nor how to build them.

The idea of the value of purpose in branding has aroused over the last decade, mainly from practitioners. Some argue that purpose-driven business and brand strategies will lead to higher returns for the firm and tries to prove the point with a set of companies he calls the ‘Stengel 50 index’ (Stengel, 2011). Kapferer (2008) was one of the first to introduce the notion of ‘purpose’ to strategic brand management. Yet, although he stated – in agreement with Stengel’s idea of purpose - that a brand’s purpose is the “... matching (of) the brand’s products with its ideals (...)" (p. 33), he does not elaborate on the elements such a brand purpose construct shall possess - nor how to build it. What is shared among those descriptions of purpose in relation to brand strategy is the implementation of it through the brand identity paradigm as an overall approach to brand strategy, embedding this idealistic, higher-order purpose with brands.

### 2.5.2 *Higher-order purpose and corporate strategy*

The debate of the purpose of the corporation is already visible over a century, in science and practice alike. Berle and Means (1932) argued, that corporations, based on private capital (i.e. private shareholders), will lead to a more balanced level playing field between a (then) dominant state and the individuals organized in that company, as the company will increase the power as collective:

“The rise of the modern corporation has brought a concentration of economic power which can compete on equal terms with the modern state - economic power versus political power, each strong in its own field. The state seeks in some aspects to regulate the corporation, while the corporation, steadily becoming more powerful, makes every effort to avoid such regulation. Where its own interests are concerned, it even attempts to dominate the state. The future may see the economic organism, now typified by the corporation, not only on an equal plane with the state, but

possibly even superseding it as the dominant form of social organisation.”  
(p. 357)

However, not without contradiction: Dodd (1932) countered, that the role of the corporation is not only limited to financial profit, nor set up to counter the state and even dominate such, but moreover, the role of the corporation is, to be an active part within society, as “... an economic institution which has social service as well as a profit-making function.” (p. 48).

With the post-World-War-II economic boom in the Western industrial world and Japan, companies started to increasingly internationalize and globalize their businesses over the course of the 1960s and 1970s. Some organizations have been operating internationally before, but mostly with a structure that allowed them to operate as stand-alone companies in each country or region with negligible impact on forming truly global organizational systems. Those ‘decentralized hubs’ didn’t create really ‘one global firm’ and capitalize the strengths of large companies (economies of scale and scope), rather they built a network of loosely bound organizations (Hindle, 2012; Sloan et al., 1964). On the other hand, leading global companies, such as Philips and IBM were convinced that in order to build a global business, culture and the way of operating need to be aligned globally. With that, (corporate) multinational organizations were facing a new level of structural complexity, which demanded for different tools and tactics to overcome new coordination issues in aligning such organizations’ complex actions and operations towards one global strategy. Core-leadership tasks, such as aligned corporate goal setting, coordinating and articulating strategies and (marketing) initiatives became a coordination issue and overall business challenge to those organizations (Porter, 1986). Multinational companies should be seen as complex inter-organizational systems and networks, rather than as a singular organization - and this requires new approaches to resource allocation but also managerial coordination (Bartlett & Ghoshal, 1988).

Engaging (management) employees only through the hard-sided logic of business analysis and number-oriented goal setting did not seem to lead to aligned actions driven by joint, strategic direction. Markets and cultures differ, and

so large organizations need to diverge, to some extent, in tactical levels for business success, while still capitalizing on the economies of scale and scope of a large corporation (strategic perspective). In order to do so, the leadership challenge to such a network of inter-organizational systems became the setting and deployment of strategic, organization-wide fundaments while leaving room for local adaption and divergence in operations – especially in the light of cultural differences (Bartlett & Ghoshal, 1990). To do so, some companies, such as IBM and Kao, were found to engage more on the emotional feeling of belonging and employees' need to identify with the organization they worked for. They deployed expatriate managers into the countries' operations, with the main objective, beyond sharing technical know-how, to build one global company culture as the fundament for joint strategy. To do so, they identified managers who would have internalized the company's identity and consequently think and act in a certain, pre-defined manner, in order to influence localized regional company culture and behaviour in an aligned and strategic direction (Bartlett & Ghoshal, 1988, 1990).

Since the 1920s most companies have been following a managerial approach based on strategy, which defines structure and structure leads to (operating) systems. The overall role of management within those organizations has been to develop strategy, adopt the adequate structure and then steer and control employees' actions with the systems in order to minimize individualistic human behaviour and streamline the workforce into an industrial-manageable production force. Yet, with the economic and political changes of the 1980s, leading to the convergence of markets and nations towards a global market and globalized economy, demand a different management approach. Companies like ABB and 3M were found to apply a less formal and less control-oriented managerial approach, but rather a completely different management philosophy. This philosophy was based on, "... building a rich, engaging corporate purpose", as the centre of a global system in which employees will have the power and ability to re-think and innovate (Bartlett & Ghoshal, 1994, p. 80). Rather than control and command, management's role, therefore, should be shifted towards the objective of building an organizational system of people, which build and apply processes to fulfil a joint, higher purpose. This (corporate) purpose should cover the aspects of the organizations' diverse stakeholders (shareholders, employees, partners,

customers etc.). Also, as the role and meaning of work and companies has changed from pure economic micro-systems towards social entities within societies, this purpose must be broader and reflect internal as external as well as societal responsibilities of the firm. Thus, "... purpose is the statement of a company's moral response to its broadly defined responsibilities, not an amoral plan for exploiting commercial opportunity" (Bartlett & Ghoshal, 1994, p. 88). This 'soft side' of business management rejects authorial leadership style and seeks to foster individualistic, yet aligned corporate cultures as the firm's objective, where profit then becomes a result and not an objective on its own. Corporate values are the ground, summed up in a corporate purpose, leading to a richer and clearer understanding by their employees and therefore they will internalize those 'big picture narratives' better to steer their actions into a joint direction, rather than numbers-only goal setting and hard-set business strategy could do (Bartlett & Ghoshal, 1990, 1994).

Porter and Kramer (2011) argued in their seminal article "Creating shared value", in-depth, the changing landscape of companies' responsibility and people's changing expectation towards those companies, being institutional parts of society at large. Based on their research and observations, they assert that the capitalist system becomes increasingly challenged by its main contributors, the people. They conclude that companies' must reframe their role in society in order to keep prospering. The main argument is that through neo-classic and neo-liberalist changes in the market system in the western world, companies lost the perspective of being part of society in general. This can be determined by two main factors, which I explore, in more depth, below.

First, the externalization of costs associated with the value chain of individual firms, led to an increased coverage of those costs by tax-systems and not by the causing organization. The most visible might be environmental harm, through the production of companies. While the produces' added value is internalized and reserved to the shareholders of the firm, the produces' costs are, partially, outsourced to the system they operate in. But also, the authors argue, less visible costs are externalized: E.g. through workers-harming production procedures, e.g. by producing with lower safety standards off-shore of the market in developing countries, healthcare-associated costs rise, while the increased profit due to

lower production costs are internalized. Those costs then must be covered by the society, through e.g. tax systems. This led to an increasing dis-balance of safe-guarding profits for shareholders while generalizing and externalizing costs to the public, i.e. the societies and their systems they operate in. This mechanism did not stay unseen by the public and therefore systemic criticism towards such corporate behaviour and moreover the ethical-societal self-definition of the role of companies within society came increasingly under attack. Porter and Kramer (2011) argue, that the systemic change expected by an increasing number of members of society is not actually the diminishment of companies and their products, but rather a reconsideration of the profit- and cost-distribution associated with their value chain.

Secondly, Porter and Kramer (2011) assert, that this thinking has driven companies into non-strategic, short-termism. Managers are poised to focus on short-term, monetary-only, results, to satisfy short-term investors (shareholders) wants but neglect with this behaviour the long-term value creation. They argue that a firm's strategic, inclusive prosperity only can be materialized in the long run, when all effects of the value chain are taken pro-actively under consideration and are calculated with opportunities and risks for the long-term. The business model as such only then is sustainable, when all occurring costs and profits, long- and short-term, are explicitly considered. Thus, they argue, the Friedman-Doctrine<sup>4</sup> of the company's purpose is limited to deliver profit to the shareholder is leading to short-termism and more overall a non-sustainable value chain.

Porter and Kramer (2011) conclude, that also the free-market, capitalist system as such has very likely contributed profoundly to increasing prosperity, freedom and choice to free-markets participants (people and institutions), yet can't be sustained when the people, as main participants of the system, do feel a potential

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<sup>4</sup> Milton Friedman, a neo-classical and later neo-liberalist economist from the University of Chicago (and therefore his (and other fellows) theoretic thinking is often referred to as *Chicago School Paradigm*) argued in a newspaper article that "The Social Responsibility of Business is to Increase its Profits." (Friedman, 1970, p. 72), which became known as the Friedman-Doctrine, opposing any more philanthropic discussion of the role and responsibility of company as members of society and the associated duties of those.

dis-balance towards internalized profit and externalized costs. Thus, profit is the result of the value chain of the company, yet its calculation and distribution should be reconsidered to enable the free-market-system to prevail. Further, the authors argue, profit per se does not have to be conceived as being monetary, only. The profit of the firm's products should be considered broader and monetary aspects are important but too limiting.

"Not all profit is equal. Profits involving a social purpose represent a higher form of capitalism, one that creates a positive cycle of company and community prosperity." (Porter & Kramer, 2011, p. 67)

Stout (2012, 2013) supports the idea of the shared-value-concept and adds, that although – and of course - the shareholders' interest is of importance, shareholder-*primacy* as a general company orientation misses the idea of long-term prosperity. She also argues, that there is a needed differentiation in the debate between short-term oriented speculators and long-term oriented investors: While the first actually do harm the company, as they are interested in short-term cash-outflow in form of timely dividend payments or short-term oriented stock-buyback programs to increase stock market prices short-sighted, it is in the original interest of the company, and ultimately the shareholder, to support the long-term stakeholder-paradigm. She argues that short-term-investors-thinking has proven to lead to short-termism in decision-making and therefore neglects long-term strategic action and innovation at the firm. This is in line with Porter's and Kramer's (2011) argumentation of the downside of short-term stock market orientation. Therefore, managers should pro-actively take a long-term stance towards stakeholders (including long-term oriented investors, i.e. the shareholders) and pro-actively defend the company against short-term oriented shareholders, such as speculative investors. A recent study provides further evidence, that short-term oriented companies do not deliver, even close as long-term companies do, in terms of financial performance and monetary profit (Barton et al., 2017).

Gartenberg et al. (2018) suggest, that the needed long-term orientation and its defence against short-termism and speculative investors is achieved by embedding higher-order purpose at the centre of corporate strategy. They assert,

that they found companies doing so, are more likely to execute their long-term strategy than, as the corporate purpose will lead to strategic clarity – especially among middle-management – and that then shall lead to higher stock market performance, in the long run. Eccles and Serafeim (2013) argue, "... a strategy must address the interest of all stakeholders: investors, employees, customers, governments, NGOs, and society at large." (p. 52). They assert, that to build such a strategy, higher-order purpose must then be the foundation for long-term oriented entrepreneurial success of the firm. Therefore, the - in comparison - simplistic shareholder-value-paradigm, or shareholder primacy as a strategic imperative, will mainly serve short-term sights, which in return will not deliver equal positive long-term financial and stock market performance. Or put simply: Short-termism and (simplistic) shareholder-value-orientation might diminish shareholder value in the long run. So, the company is advised to define a central higher-order purpose, which aligns strategic decision making, enables by that long-term investment into the business and allows for strategic clarity among the internal stakeholders. Importantly alike, is the communication of the higher-order purpose to internal *and* external stakeholders, such as investors, business partners and especially customers. Not only do they increasingly demand transparency on the corporation's purpose, but it can eventually lead also to increased alignment of customers and the corporation (through the brand strategy) (Kotler et al., 2010; Kramer & Pfitzer, 2016; Reeves et al., 2018; Reeves et al., 2019).

Also, there is an increasing theoretical body of evidence, that profit orientation, as shareholder primacy, might not only be limited as (corporate) purpose, but actually harming and being counter-productive in terms of people's, more precisely employees', motivation (e.g. Deci, 1972; Pink, 2009; Ryan & Deci, 2000). Further, customers are not motivated in their purchase-decision-making-process by providing profit to the seller's shareholder. In contrary, there is increasing demand, that companies must contribute to society at large through their business models, rather than extracting value, from society at large, through their business models from consumers and customers (e.g. D. A. Aaker, 2014; Edmans, 2016; V. Keller, 2015; Polman, 2014; T. E. Ries & Bersoff, 2018). Therefore also investors are increasingly seeking to invest in companies which

put a higher-order purpose at the core of their business through adapting their strategies, as there is also increasing argument, that this could lead to higher profits and moreover long-term shareholder value creation (e.g. Fink, 2018; Fink, 2019; Gartenberg et al., 2018; Serafeim, 2016, 2018a, 2018b).

However, there has been no essential and fundamental guidance in terms of theory and description of what the elements and properties of ‘good’ vision or purpose statements should be (Collins & Porras, 1991). The seminal work of Collins and Porras (1991) about “Organizational vision and visionary organizations” built the foundation for a more systematic approach to define a firm’s normative structure in terms of a coherent statement, which qualitatively describes the values and strategies of the organization as such (Collins & Porras, 1996). Collins and Porras (2002) argued that in a ‘VUCA’ world (a world in the state of volatility, uncertainty, complexity, ambiguity) the importance of a higher meaning is essential to business, as profits are the results of a purpose-driven organization, not the driver. But also, the authors argue, that a corporate purpose is significant in building an enduring and lasting company organization, they do not provide a specific account on what the properties shall be, nor the process of defining one.

This lack of an empirical grounded, theoretical, conceptual definition of (corporate) purpose holds true until today, as recent research into the effects and affections of such corporate purpose rely often on vague and broad definitions, such as “... [Purpose is] (...) a concrete goal or objective for the firm that reaches beyond profit maximization.” (Henderson & Van den Steen, 2015, p. 327). Although an increasing number of scholars and practitioners claim the importance of higher-order purpose to management and leadership regarding for-profit organizations, albeit a theoretical foundation or practice-oriented definition would exist. There is some argument, that a too generic description or a too narrow description as purpose-statement is not supporting the conceptual idea, as it might limit growth opportunities, but again no positive-definition of what this purpose statement should then look like or be constituted by (Malnight et al., 2019). Gartenberg et al. (2018, p. 2) also explicitly state that “Since then [Bartlett & Goshal, 1994], there has been little empirical progress on the role of purpose in strategic management” and continue, for their research on the effects of

corporate purpose in relation to firms' financial performance; "What exactly is corporate purpose? Absent a settled definition within either academic or practitioner literature, we adopt a definition of purpose proposed by Henderson and Van den Steen (2015)" - they adapt the, above mentioned, vague, definition as base for their research.

Also, there has been a significant engagement in practice and among scholars alike in the 1990s on the concept and the strategic need for corporate purpose, but little has been developed towards a more precise and clear definition of what it is, what the properties and dimensions are and consequently little interest in its effects. Yet, there is an increasing interest from practice in the notion of corporate purpose, also in relation to but not limited to, the increase in interest in the concept of brand and more overall corporations' purpose (e.g. Aitken, 2017; Anderson, 2018; Cahill, 2015; Reeves et al., 2018; Reeves et al., 2019). Further, there is increasing significance of purpose among practitioners, exemplary to mention the "Annual letter to the CEOs" by Larry Fink, the CEO of the world's largest asset managing fund, BlackRock; in the 2018 and 2019 editions of his letter to the leadership of the companies BlackRock is invested in, he highlights the importance and urges the leadership of the respective companies to gain clarity and demonstrate practices, based on the companies' respective purpose (Fink, 2018, 2019). However, he does not explain on what this purpose should constitute, rather than that "Purpose is not the sole pursuit of profits but the animating force for achieving them" (Fink, 2019, para. 2). He continues then to explain the effects he believes purpose will deliver to the purpose-driven organization:

"Profits are in no way inconsistent with purpose – in fact, profits and purpose are inextricably linked. (...) Purpose unifies management, employees and communities. It drives ethical behaviour and creates an essential check on actions, that go against the best interest of stakeholders. Purpose (...) ultimately helps [to] sustain long-term, financial returns for the shareholder of your company." (Fink, 2019, para. 5)

Concluding, there is an increasing interest in purpose – related to both, corporate strategy and brand identity - from academia and practice alike, but no definition

of such (at least not theoretically grounded), nor how it would embed into the landscape of strategic frameworks, such as brand identity and corporate, strategic management and leadership frameworks.

## 2.6 Summary and definition of the substantive area of research

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The brand terminology has existed for almost a century in management theory. However, the importance of brands and brand strategy to business management and the perspective on brands as a strategic asset to a firm have only more recently begun to attract attention in theory and practice alike (Heding et al., 2009). The literature review has shown, that since the 1980s, brand strategy has increasingly been considered an important strategic tool for managerial action within corporations (Hatch & Schultz, 1997) and an instrument to create relationships with an organization's stakeholders (Aaker & Fournier, 1995; Fournier, 1998; MacCracken, 1987) and brands also became regarded as a financial asset for a firm itself (Aaker, 1991; Aaker & Joachimsthaler, 2000).

Despite ongoing discussions concerning the essence of what ultimately constitutes a brand, in practice and in theory alike there seems to be an emerging, overarching scheme that allows for an integrated perspective on the definition of a brand (Burmann et al., 2018): There is broad consensus, that a brand should be defined as a metaphysical construct, which is introduced to the stakeholders of a firm by the sender, the organization that identifies strategic value in investing into brand building (Burmann et al., 2009; Keller, 1993; MacCracken, 1987). This strategic value to the sender is represented through the value of the brand's image; that is, the memorized image a stakeholder, previously exposed to the brand, possesses (Kapferer, 2015; Keller, 1993). The overall financial perspective on brands was contributed by Aaker (1991) and later refined by Aaker and Joachimsthaler (2000) who argue that investments in brand building can increase the long-term profitability of a firm and can create brand value as a financial asset on its own to the brand-owning organization.

An additional reason for investing in brand building could be concerns regarding competing with increasingly functional comparable goods and services in saturated and often fully commoditized markets (Holt, 2004; Kotler & Keller, 2012). Thus, when functional and technical innovation is no longer sufficient to

differentiate, differentiation may be sought by establishing brands, as consumable (albeit metaphysical) objects (Holt, 2000, 2004; Kapferer, 2015; MacCracken, 1987). An increasing number of scholars and practitioners alike argue, that a brand's metaphysical attributes and their communication thereof should not be limited to the physical elements of the offer itself; rather, they should convey emotional benefits or even a belief-oriented, idealistic stance and perspective that the target group of selected brand stakeholders can align with (de Chernatony et al., 2011; Kapferer, 2015). Such a value-laden alignment could lead to lasting brand-consumer relationships that are difficult to develop when employing a perspective focused on functional benefits and single transactions (Aaker, 1991; Aaker & Fournier, 1995; Fournier, 1998). This change in perspective on brand building may lead to repeat purchases and consequently increased profits for a firm (Burmann et al., 2018).

This belief orientation in brand building and brand strategy seems to be increasingly translated into what practitioners refer to as 'brand purpose' or 'purpose-driven-brands', but there is significant lack of clarity and ambiguity concerning the definition of these terms in the current literature (Burmann et al., 2009; Chernev et al., 2011; Henderson & Van den Steen, 2015; Huang, 2009; Kotler, 2016; Sheth & Solomon, 2014; Wheeler, 2013). In addition, when reviewing the literature beyond that on marketing and brand strategy, it can be determined that the concept of higher-order purpose is indeed established in corporate strategy; however, the understanding thereof is ambiguous, and the guidance and principles offered are often contradictory. Overall, there is a lack of a clear definition and understanding of the concept of higher-order purpose in the context of for-profit organizations (Henderson & Van den Steen., 2015; Gartenberg et al., 2018; Stengel et al., 2019). The consensus in the academic literature is limited to the vague understanding that a corporate purpose exists as a metaphysical strategic element within a firm's normative framework and that the purpose of the corporation should convey a reason for existence for the firm beyond profit generation (Henderson & Van den Steen., 2015). There seems to be increasing agreement among both scholars and practitioners, that the use of such a purpose-based strategy in branding and also in corporate strategy can enhance the (financial) performance of a firm and likewise contribute to society's

overall welfare at large (Ioannou & Serafeim, 2019; R. S. Kaplan et al., 2018; Kramer & Pfitzer, 2016; Porter & Kramer, 2006, 2011, 2015; Serafeim, 2018b). Notably, the researchers and contributors acknowledge the absence of a shared understanding of the tenets, properties and attributes of such a corporate or brand purpose (Gartenberg et al., 2018; Reeves et al., 2019).

Overall, the existing literature concerning business strategy is often separated between ‘corporate’ on one side and ‘brand or marketing’ strategy on the other, which limits the transferability of knowledge and theories within the two disciplines. Hatch and Schultz (2001) suggest, that both a corporation’s normative strategic framework and brand strategy should be aligned and, moreover, be interwoven to achieve effects in practice, such as a coherent brand identity and brand image. However, this integrated perspective is the exception in the theoretical body of knowledge, which therefore offers ambiguous and occasionally even contradictory guidance with regards to the implementation of a normative corporate strategy on the one hand and brand strategy on the other. Yet, this integrative view is indeed crucial, as brand strategy theory suggest, that the corporation’s brand identity ultimately serves as a representation of a firm’s normative strategy to all of that organization’s stakeholders (De Chernatony et al., 2011; Hatch & Schultz, 1997; Hatch & Schultz, 2001; Suvatjis & de Chernatony, 2005). As such, *a-priori*, one may conclude, that the corporate purpose may be the strategic fundament from which the (corporate) brand purpose should be derived. In addition, the corporate brand, further on in a firm’s branding process, serves as the foundation for the overall brand architecture of the firm; that is, it guides the potential creation and definition of sub-brands (Burmann et al, 2018). These sub-brands’ identities should match the identity, and more precisely the higher-order purpose within such corporate identity, of the corporate brand. Thus, the role of higher-order purpose, with regards to normative corporate strategy and brand strategy, is jointly researched in this study. Practitioners may therefore be limited in their ability to inform their practice and define managerial initiatives by drawing from this knowledge.

The literature review also uncovered that there is only limited research and evidence concerning the underlying motivations of corporations and their managers to apply such a purpose-driven strategy. Gartenberg et al. (2018)

assert that the (financial) performance of corporations might be more positive, compared to corporations lacking a higher-order purpose in their strategic frameworks, due to an increased strategic alignment of the workforce. Stout (2012, 2013) argues that the stakeholder orientation of purpose-driven corporations may lead to increased shareholder value as well, but others (Porter & Kramer, 1999, 2006, 2011, 2015; Tata et al., 2013) suggest that this (financial) performance-oriented view may be too narrow and limiting the perspective regarding the underlying motives of a firm's leadership to apply a higher-order purpose to their strategic management approach.

In summary, the existing body of theory on brand, marketing and corporate strategy suggests that a higher-order purpose could be relevant to corporate and brand strategy alike. In addition, there have been initial attempts to assess the potential effects of adopting a purpose-driven strategy in corporate and brand strategy, as well as the financial value thereof to a firm. Nevertheless, the current body of academic literature lacks a theoretical model or systemic concept regarding the constituting processes, elements and the role of a higher-order purpose, in the context of the for-profit corporation. This gap leads to ambiguity concerning the definition of purpose or higher-order purpose, how it could be placed within a corporation's overarching normative strategic framework and how it could affect a firm's brand strategy. Furthermore, the evidence regarding the explanation concerning the underlying motivations of corporations and their managers to introduce such a purpose-driven strategy is limited in the current extant literature.

It is important to note that I also identified several books and articles in which practitioners present their views and experiences concerning higher-order purpose, with regards to their individual brand and business practice. However, in line with the CGT methodology adopted in this research, I suspended the review of the practitioners' literature until the theoretical coding had been completed and the grounded theory formulated based on the empirical data. This literature was then interwoven with and compared to the (grounded) theory. Thus, the practitioner literature enhances the theory but also provides more context concerning the role of higher-order purpose within the broader landscape of

business strategy in practice (through triangulation of the theory and additional data from the practitioner literature).

Consequently, in absence of an empirical grounded, theoretical definition of higher-order purpose that can be related to brand strategy or (normative) corporate strategy, and furthermore no definition at all with an integrative perspective on both, I frame the substantive area of my research as involving both areas, brand and normative corporate strategy.

This study seeks to empirically explore the in practice observed phenomenon of higher-order purpose with regards to brand and normative corporate strategy, to formulate a grounded substantive theory of higher-order purpose and its place and role in a firm's normative framework (i.e. a corporation's brand and normative corporate strategy). Furthermore, this empirical study also seeks to narrow the gap in the body of literature concerning the underlying motivations and motives of organizations, more precisely corporation's managers and leadership, when it comes to building their brand and corporate strategies with a higher-order purpose in mind.

## **Chapter 3: The philosophy of science and research design**

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A research aim can be assessed from different (personal, scientific, theoretical and philosophical and therefore methodological) perspectives. Different ontological and epistemological considerations and related worldviews will lead to several opportunities of conducting research as such and approaching a research aim significantly different in terms of research objectives and the fitting methods. Thus, it is of immense importance, to uncover the researchers' theoretical, potentially implicit, knowledge, position in the overall philosophy of science and her individual, cultural-based perspectives. Only when the researcher makes those assumptions about knowledge and the process of knowing explicit (towards oneself and the outside), the research methods applied and consequently the results can be assessed and compared within the broader context of the existing body of knowledge, methodological paradigms and methods of a discipline (I. Bryman & Bell, 2011; Easterby-Smith et al., 2012; Saunders et al., 2012).

Saunders et al. (2012) describe the research paradigm and philosophy as a researcher's *worldview*. The debate of (research) philosophy and about the nature of reality, metaphysics, knowledge and universal objects and their properties and the way of knowing is probably as old as human mankind (Benton & Craib, 2011; Detel, 2014; Precht, 2017). The philosophical, theoretical underpinnings and beliefs, the ethical values of the researcher and the perception of knowledge and how we come to know can be summarized as research paradigm. Paradigms in science are individual and bound to the researcher as human being. The research paradigm entails "... the entire constellation of beliefs, values [and] techniques" of the researcher when approaching a scientific research project (Kuhn, 1962, p. 175).

During the course of the past century, the discussion within academia and the philosophy of science overall, but especially within the discipline of social sciences, has taken some significant turns and led to the development and broader acceptance of differing schools of thought regarding the philosophical underpinnings in science (Gibson & Hartman, 2014). The 20<sup>th</sup> century has been mainly dominated by *logical positivism*. Governed and lead by the *Vienna Circle*,

logical positivism demarcated scientific inquiries and research into scientific and non-scientific. Scientific has been defined by the determination, that all propositions of research must be meaningful. All other is then regarded as non-scientific (Holliday, 2016). This narrow idea of science can be traced back to the ideas of Wittgenstein (2001), who asserted that all propositions in science are either true or false. Propositions of research (-results) are therefore only then meaningful when they are verifiable - i.e. one could prove them. Consequently, according to Wittgenstein, only true or false propositions could lead to enhancement of theory in science. Thus, logical positivists argue, that there should be general methods in science, which can be applied to all disciplines. This extreme rationalist view of science discredited, obviously, all other methods as non-scientific. Close to the ideas of empiricism and logic in philosophy, scientific methods then could only start by observation by the researcher of a (distanced) object of research: The objective of those observations would be to deduct linear causalities, such as "A causes B" in order to hypothesize and verify those findings (Gibson & Hartman, 2014).

Although with the turmoil of World War II the Vienna circle disappeared in the late 1930s, the ideas and theoretical underpinnings continued. Logical positivism stuck in academia and science to be the dominating worldview (e.g. Zetterberg, 1954). However, with the vanishing of the Vienna Circle, also the institutionalization of such theoretical underpinnings diffused. Philosophers and scientists questioned the ideas of logical positivism.

Especially Kuhn (1962) and Popper (1959) argued against the one unified vision of logical positivism towards scientific enquiry. Although both differed in their philosophical underpinnings, they both significantly challenged logical positivism as a general dominating scientific philosophy. Popper (1959) argued as a *critical rationalist*, that logical positivism and its pure focus on deduction and verification didn't do anything good for scientific work, but also the ideas of induction and the theoretical perspectives of idealism and constructivism towards knowledge are not the right answer. He argued that the body of scientific knowledge should be extended by having its contributors, i.e. scientist, making guesses, based on (experiential) assumptions, rather than observations. Those guesses shall be formulated as a hypothesis, to be empirically tested, but in general can be

assumed to be valid knowledge until they are proven wrong. Otherwise, until falsified, those hypotheses would contribute to the advancement of knowledge and theory. Thus, according to Popper (1959), methods should always and only focus towards falsification of hypothesis. Popper took the opponent stand as Wittgenstein and asserted that it is not verification, but falsification which will enhance theory and theoretical, scientific knowledge about the world. Kuhn, on the other hand, denied rationality itself as a concept of philosophy. He argued that science cannot be based on rationality in general, as all research is only true within the researchers' coherent but individual worldview, i.e. the individual research paradigm. Consequently, scientific pluralism is the result of different ontological and epistemological assumptions and therefore must be accepted in science, in general.

Those two opposing schools of thought can be embedded in the extremes of the philosophical continuum in science, which we are confronted with as novice researchers and PhD students today: (Post-) *Positivism* and *Constructivism* (or also referred to as *Interpretivism*) and (Post-) *Modernism* (Holliday, 2016). Importantly to note is the agreement within the philosophic and scientific community today, that philosophy in general, but also with regards to scientific inquiry the philosophy of science especially, is a continuum with uncountable paradigms: i.e. between those extremes is an unlimited amount and combination of possibilities for the researcher to place one self's beliefs and assumptions against (Benton & Craib, 2011; Breckenridge et al., 2012; Campbell, 1988; Devitt, 2005; Easterby-Smith et al., 2012; Holden & Lynch, 2004; Mkansi & Acheampong, 2012; Philipps, 1987; Walsh et al., 2015).

The foundational arguments of those extreme positions, (post-) positivists and constructionists or (post-) modernists, are based on the controversies with regards to the idea of *existence* in philosophy. Gibson and Hartman (2014, p. 55) summarize this as the *problem of universals*:

“(...) There are individual objects such as rocks, chairs and human beings. These objects are located in space and time and can only be in one place at the same time. Properties [of those objects] (...) can be located at different places at the same time. The problem of

universals is the problem of what such properties are and what the relationship is between them and objects.”

The theoretical idea of the *problem of universals* describes the (ontological) divergence between *essentialism* and *nominalism*. Essentialists argue that objects are defined by their properties and as such those properties are independent in their existence of what, how or if at all we think about them. Nominalism, on the other hand, argues, that all objects are defined by us humans through the construction, in our mind, of their properties. Realists, such as (e.g.) Aristoteles and also, to a certain extent, Plato argued, that we live in a universe of things, such as stones, people and animals, as well as ideas, which exist independent of our thoughts (Detel, 2014; Pfister, 2016). Our thoughts about those objects are derived from the properties and we contribute properties to objects through thought and mental creation in our mind. Yet, when we disappear (or do not think about such objects and properties), the object does not disappear. Thus, realists argue, the object itself is independent of our thought in its existence. Contrary to this, nominalism is based on the idea of a relativistic view of the universe and the objects with their properties. Relativism is based on the idea of Heraklit, that all objects and their properties are ideas in our minds (only) and therefore the reality of such is in general relative – as it can (and will) differ between individuals (Precht, 2017). This idea has been developed further by philosophers and scientists such as e.g. J. Locke (1732): He called his concept *conceptualism*, which shares the same constitutive tenets as scientific constructivism. The core of this philosophical stance is in line with the ideas of nominalism: All objects exist because of our classification of them, i.e. the definition of properties by humans, through our interaction and discourse (dialectical inquiry towards theory). Therefore, all objects only exist depending on their properties, which we as participants in the universe attribute to them.

Summarizing, we can state that essentialism accepts the idea of an independent world, while nominalism disavows such independent reality and its reality is only constructed in our minds. Regarding scientific inquiry, this means, that if we believe in an independent world outside of our thoughts (essentialism), then we could observe, measure etc. those objects and properties, to describe and understand them (explore and explain). In a nominalist definition, this is not

possible, as the only way to understand and describe is by interpreting and conceptualizing meaning, constituting as a result properties of those objects, but dependent on our thoughts (interpreting our thoughts is exploration) (Benton & Craib, 2011; Detel, 2014; Gibson & Hartman, 2014).

Birks and Mills (2012, p. 9) suggest four basic questions, which the (novice) researcher should answer to seek understanding and develop a profound, grounded theoretical standpoint on the philosophical continuum:

1. How do we define our self? [Ethics]
2. What is the nature of reality? [Ontology]
3. What can be the relationship between researcher and participant? [Epistemology]
4. How do we know the world, or gain knowledge of it?  
[Epistemology]

The taken stance should be made explicit by the researcher, to arrive at a transparent fundament for the overall research design. The answers to this questions are summarized as the researcher's (individual) *research paradigm*, which is her "... basic set of beliefs that guide [her] action" (Lincoln & Denzin, 2018, p. 97). Such a paradigm will establish and layout the researchers' worldview, in context of her research project. It is per se very personal, in terms of subjectivity. This means that the answers to the above questions are probably not ultimate, as the researcher will learn and develop throughout her lifetime. Secondly, those answers are perspectives and therefore based on the researchers' individual beliefs, experiences and theoretical worldview. Hence, it might be considered as an everchanging position, which is formalized only through knowledge and experience by the researcher herself. However, it is especially critically to form and make those theoretical assumptions explicit in the context of the individual research paradigm when it comes to ontological and epistemological assumptions (Holden & Lynch, 2004). Only then rigour, reasoning, research strategy and results can be assessed, compared and understood by others. Further, axiology (i.e. research ethics) must be considered and made explicit, as we as researchers might not only have a passive role by conduction research, but also an active role in terms of the action of the research

itself could impact the study's participants or objects (Ravitch & Riggan, 2017). Thus, researchers' should consider those potential impacts ex-ante and let their ethical perspectives guide the methods applied (Guba, 1990; Lincoln et al., 2018). In line with Birks and Mills, Guba (1990, p. 10) suggests that an individual research paradigm should answer, in context of the research project, therefore the following questions explicitly:

1. [Ethics]
  - a. How will I be as a moral person in the world?
2. [Epistemology]
  - a. How Do I know the world?
  - b. What is the relationship between the inquirer and the known?
3. [Ontology]
  - a. [What is] the nature of reality and the nature of the human being in the world?

However, those questions can probably be confusing to the (novice) researcher and probably are not to be accessed on a theoretical-only base, but in context of the research discipline and aim (Holden & Lynch, 2004; Mkansi & Acheampong, 2012). Thus, I iterated within my personal quest towards an overall research strategy between those questions, to arrive at a coherent paradigm and strategy.

### 3.1 A dialectical, narrative inquiry towards a personal, theoretical position in the philosophy of science: From the great divide towards critical realism

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In order to contribute to the body of knowledge with reasoning and rigour, grounded in a very personal philosophical worldview, the researcher must understand first of all the individual theoretical assumptions and secondly make them explicit (Benton & Craib, 2011; Ravitch & Riggan, 2017). Thus, I have embarked with my PhD project not only on a journey of researching within a discipline (business and strategic marketing) but also on a journey of self-reflective philosophical discovery and learning. This journey has not happened to be a linear process, moreover one can describe it as an iteration between research idea, beliefs, personal values, research strategies within my discipline, research paradigms and their respective theoretical underpinnings and overall

philosophy - towards my personal beliefs and ideas about knowledge and knowing.

Initially, I inclined towards the fundamental ideas of subjectivism and relativism and the related scientific theoretical concepts of the paradigms of constructivism and interpretivism. Mainly, because I share the fundamental epistemic belief that the way, how we learn and create knowledge has limitations in terms of generalizability or transferability and applicability and belief in the process of generating research results as being provisional and temporary. Thus, I reject the extremes of logical positivism (Wittgenstein) or Popper's positivism and rationalism in general. I see society as groups of individuals with differing experiential knowledge and background (cultural, values etc.). Thus, I accept that the way of knowing *can* differ individually. My personal position towards the process of learning and knowing is, that I accept that those different backgrounds of different individuals will enable multiple ways of finding, aggregating, abstracting and formalizing knowledge and therefore scientific pluralism is real (Mkansi & Acheampong, 2012). I oppose the idea of objectivism or (logical) positivism with regards to epistemology, as I reject the idea of a unified methodological set of strategies of inquiry. The embedded idea of one-size-fits-all-research methods does not suit our complex and multi-layered and diverse social world of individuals. Not in natural nor in social sciences from my perspective.

Secondly, I share the ideas of liberal enlightenment and humanism with the ideas of Humboldt overall, that in order to gain and build knowledge, we as humans may have different approaches towards getting to know and learning those (e.g. Rüdiger, 1937; Sauter, 1987). Thus, I accept, that the role of the researcher and the researched object, i.e. the participant in social sciences research, do not have to be separated and distanced, but may share interpretations in order to arrive at a shared result of thinking, i.e. new knowledge. This is especially true when researching in the discipline of business and marketing with professionals as participants. Experienced marketeers do know the processes of market research, as a core element of their daily work. Thus, they are aware of research as an instrument of knowledge creation and discovery. Consequently, interfering with professionals in marketing and business management does enhance the idea of

epistemological knowledge-co-creation of interpretivism, as I as the researcher will interfere as actual research with participants in order to discover, create or gain knowledge and insights from their practice (Bogner et al., 2014).

Consequently, my *epistemological* position resides in *subjectivism* which could be embedded in paradigms of *constructivism and interpretivism*. The creation and advancement of knowledge is, or at least maybe, subjective as we as researchers are subjective (as individuals) in the broader context of understanding society (as collective) and the underlying processes. Further, as I do accept that the result of research, therefore, is interpretive and subjective, I actually argue that the co-creation and insight-discovery as the actual research process can and probably even should be built on a close relationship and integration of researcher and participant. This common approach to gaining and advancing knowledge and theory will then not only lead to contributing to the existing body of knowledge, rather it may strengthen that this knowledge and theory is related and closely embedded to the praxis of the discipline.

It is the researcher's obligation to find her integrated, theoretical worldview (in the sense of a paradigm, which is coherent towards axiology, ontology and epistemology), that fits her personal values and beliefs, I also think it is of utter importance to understand what ontology and epistemology are to be spelt out clearly and comprehensible, as outlined above, suggested by Guba (1990) and Birks and Mills (2012). A coherent research paradigm is about the *combination* of the way of knowing (epistemology) and the idea of knowledge (ontology) then.

Thus, when asking myself about what I believe knowledge and the nature of reality is (ontological perspective), reflecting on the problems of universals, I found the worldview related to constructivism as paradigm troubled. The ontological position of constructivism, that epistemological theoretical underpinnings consequently lead to a relativist, idealistic (constructivist) ontological perspective: In constructivism as an overall paradigm, the way of knowing determines the known (Lincoln, 1995; Lincoln & Denzin, 2018). This is the consequence of the idea, that when all epistemological underpinnings are about the (co-) construction of knowledge or "subjectivist created findings", then knowledge itself becomes the construct (of humans) as "... local and specific

constructed and co-constructed realities" (Lincoln et al., 2018, p. 110). This extreme acceptance of nominalism and rejection of essentialism in ontology is to me rather radical and not reflected. As I outlined before, I do share the idea of constructivism and interpretivism in terms of epistemology, but I reject the logical, deduction of the determination of the nature of reality (ontology) as the result of our thinking - in terms of epistemological perspective. Lincoln (1995) asserted that by that "... the naturalistic/constructivist paradigm effectively brought about the irrelevance of the distinction between ontology and epistemology" (p. 286). Although I can understand and somewhat accept the core tenets of the constructivist paradigm in the context of social sciences, I find it hard to accept as an overall philosophical paradigm, due the self-fulfilling integration of ontological and epistemological theoretical tenets. This is especially true, as much as I value different theoretical perspectives and thus believe in multiple ways of knowing (scientific pluralism), and also accept therefore multiple (scientific) reasoning in an epistemological sense, I accept that there is (or at least might or could be) an external reality, which could be independent of our constructs and ideas about it.

As I highlighted before, the values one is raised with, cultural embedded in and in agreement with, and somewhat individually bound to, are then also embedded in ourselves as beliefs and should therefore lead to an overall philosophical position, acceptable for oneself, regardless of research topic, discipline or scientific project. For example, I do believe in climate change as an independent fact (ontologically) and believe in its existence, detached from humans' definition of it (essentialism). I certainly disagree with statements, in denial of the phenomena, although I do accept that our understanding and reasoning of the phenomena and its generative causal processes might be multiple and therefore our understanding and learning about it can differ (epistemological). Taking the paradigm of constructivism to the extreme, then Donald J. Trump's Tweet on social media, stating that "... the concept of global warming was created by and for the Chinese (...)" (Trump, 2012) would probably be acceptable, which I cannot accept. This example shows, that also the way how we try to understand the reality of climate change might differ and multiple scientific approaches are acceptable to close-in on that reality, the reality (climate change) would be existing

regardless of our idea of it. Thus, I disagree with the idea of nominalism ontological and therefore cannot accept and take a constructivist position in ontology. Rather, with regards to the idea of essentialism (ontological) I would argue that climate change is a phenomenon, which exist regardless of our definition or knowledge-creation of it (nature of reality). Thus, I reject the overall idea of nominalism within a constructivist research paradigm, while I accept that in the way of knowing and learning, we somewhat are constructing ideas of reality as a provisional state of research. Consequently, ontological, I incline to the ideas of post-positivist realism. This is also driven by my personal belief, that one should not adjust one self's theoretical perspectives towards disciplines or research aims, but rather those perspectives are embedded in every one of us, based on our values (axiologically).

So, when reflecting about reality in the sense of allowing the idea of essentialism to (at least) potentially be true, the extreme of ontological constructivism would not fit my perspective on natural and social sciences overall. However, I agree that our way of knowing and therefore the known might be *provisional*, and we also must accept that we might never know or understand when the provisional and thus the enduring fallible state of the known and (scientific) theory have passed (Bashkar, 2008; Bashkar & Lawson, 1998). Thus, I consider the known from a realist perspective ontologically, accepting epistemologically that the way of knowing is not a set of methods of general applicability, rather it is a quest towards truth or reality by enlightenment and dialectical scientific processes (Maxwell, 2012, 2013). Yet, to be clear, the Humean idea of realism, in the sense of the deductive-nomological model of research to create causal (universally applicable) laws is not the ontological realist stance I position myself within. Actually, I oppose the determinism introduced by Hume (Millican, 2011). I consider free-thinking and therefore the individuals' ability of free expression, leading to her free will as a crucial factor of liberalism in the sense of Humboldt and the liberal enlightenment (Sauter, 1987). In that sense, I appeal to the idea of "... science as a social process of creative work" (Hartwig, 2008, p. xix). Consequently, when accepting liberal free-will and therefore the researcher as a (potentially, at least) subjective human being with differing epistemological ways of knowing (relativist/constructivist/interpretivist position), I also believe in

ontological essentialism in the sense of accepting a (potential) truth or nature of reality in its existence – or at least I can't deny such potential. Therefore, the creative process of science then becomes the iterative quest of finding, interpreting and understanding generative causal processes embedded in this (potentially real) reality. Thus, ontologically I am in agreement with Philipps (1987) and his definition of realism as "... the view that entities exist independently of [how they are] being perceived, or independently of our theories about them" (p. 205). This ontological realism accepts also the fallibility of scientific work (in the sense of epistemology). Consequently, science and scientific work provide only provisional knowledge of models and theories of this (potential) reality (Maxwell, 2012). To build scientific models and ideas, scientific work then becomes an iterative, fallible and temporary process of learning and development towards a better understanding of the nature of reality itself. This philosophical idea consequently can be seen as a position of liberal epistemic ways of knowledge creation, dialectical in its approach, moderating between truth (ontologically) and freedom (epistemological) (Campbell, 1988). The limitation of this approach is that truth might never be achieved, but the idea of liberal humanism enables us – as fallible human beings - to strive for truth with freedom to choose in how we strive. This is essentially the idea embedded in *critical realism as research paradigm*, as introduced by Bashkar (1975). Hartwig (2008) asserts, that the epistemic relativity (of interpretivism) and the "... abandonment of foundationalism (...) presuppose ontological realism", entailing "... the fallibility of scientific claims" in general. Thus, critical realism is a dialectical model of philosophy of science, which entails the "... holy trinity [of] judgemental rationalism, epistemic relativism [and] ontological realism" (p. xix).

Regarding metaphysics, critical realism accepts the notion of treating ideas, meanings and constructs in general "... as equally real to physical objects and processes" (Maxwell, 2012, p. viii).

Maxwell (2012) argues for the value of a critical realist research paradigm across methods and as an integrative paradigm towards scientific action in general:

"The (...) characteristic of critical realism relates to the distinction between ontology and epistemology. (...) The nature of reality [and]

how we can know anything. Critical realism combines (...) the belief that there is a real world that exists independently of our beliefs and constructions with a constructivist epistemology (the belief that our knowledge of this world is inevitably our own construction [or interpretation], created from a specific vantage point, and there is no possibility of our achieving of a purely “objective” account that is independent of all our particular perspectives.” (Maxwell, 2012, p. vii)

Critical realism distinguishes itself significantly from objectivism and logical positivism, as it does not claim that there is only one way of knowing and learning, but multiple ones and therefore accepts both, essentialism and scientific pluralism. Further, critical realism acknowledges, or at least accepts, in its theoretical position, that there might be an external reality (Lakoff, 1987). Some refer to critical realism even as a *common-sense basis for (social) research*:

“On a daily basis, most of us probably behave as garden-variety empirical realists – that is, we act as if the objects in the world (...) exist as an independent in some way from our experience with them. We also regard society, institutions, feelings, intelligence, poverty, disability and so on as being just as real as the toes on our feet and the sun in the sky” (Schwandt, 2007, p. 256)

Overall, critical realists accept that there is, or at least could be, a reality, independent of our thought or the construction of thoughts towards it. I would even argue that the critical realists’ position in the philosophy of science would be suitable, or at least could provide fundamental basis, towards a more balanced discussion against the great divide in the philosophical camps of academia and institutions of objectivism versus subjectivism. The ability of a critical realists’ research paradigm to integrate quantitative approaches to data collection and analysis, as well as qualitative approaches, and in applying a pragmatic paradigmatic mixed methods approach can suit natural and social sciences’ disciplines equally.

Unfortunately, critical realism has been criticized superficially - especially from qualitative researchers - for being simply positivistic (e.g. Denzin & Lincoln, 2005; Mark et al., 2000), or has been simply ignored as a paradigm at all (e.g. Denzin

& Lincoln, 2018; Lincoln et al., 2018). Yet, I argue, the critical realism paradigm could enhance social sciences' research, as it is embedding fundamental aspects, which differentiate it from positivism and its consequent ideas bound to determinism and empiricism. Foremost, the clear distinction of ontology and epistemology leads to a coherent paradigm, which can accept, that while the way of knowing is relative and therefore constructivist or interpretivist, the nature of knowledge and reality is and social phenomenon is real or at least could be reality (*contemporary realism*) (Baert, 1998). This stance in the philosophy of science has the power to suit different research projects and aims while providing a coherent theoretical fundament to the researcher throughout her lifetime:

First, logical positivists believe, that theoretical concepts and scientific theories are logic reconstructions of observational data to model and deduct predictions about events and variables, but which had no explicit relation to an essential reality (instrumentalism). (Critical) realists, however, argue ontologically there is (or might be) an essential reality and the objective of science itself and overall is to understand this reality (although the quest might be fallible and therefore research and scientific results are provisional). Reality itself is not only constructed of natural objects, but moreover includes meaning, ideas and theoretical constructs. Thus, scientific theory then is fundamentally different from positivistic theory in realism; realists' theory tries to create pictures and images of an existing reality. As metaphysical and physical reality (might) exist as an essential reality, critical realism significantly differs from logical positivism and constructivism as paradigms, which both are in denial of this thought (Devitt, 2005; E. F. Keller, 1992; Putnam, 1987, 1999).

Secondly, critical realism implies the idea of causality in the real world, across natural and social sciences. Positivists as well as constructivists are in neglection of causality as being real itself. Positivists argue that causality itself is a metaphysical idea and therefore not scientifically relevant, while constructivists' nominalism would deny the reality of such. As critical realists accept metaphysical objects to be real, causality then also might be or could be of real existence in the idea of essentialism. Critical realists refer to causes as metaphysical phenomenon, which can be explored by scientific inquiry (e.g. exploratively discovered and described in explanatory manner) and hold therefore

explanatory strengths within scientific theories. However, important to note, critical realists accept the existence of such mechanisms, yet do not believe in the ultimate scientific work as factual result and therefore descriptions of causality are fallible and consequently provisional. Yet, they are seen as processes, which can explain behaviour and action explored, but not with the objective to find ultimate truth in it. Thus, critical realism opposes the idea of causality in (logical) empiricism as well:

“The world of ordinary language (...) is full of causes and effects. It is only when we insist that the world of ordinary language is defective (...) and look for a ‘true’ world (...) that we end up feeling forced to choose between the picture of ‘a physical universe with a built-in structure’ and ‘a physical universe with a structure imposed by the mind” (Putnam, 1990, p. 89)

Critical realism than is about allowing the possibility of reflective thinking and articulation by humans and integrate the idea, of the human being in general, enabled to re-formulate thought in terms of interpretation and abstraction and articulate such. Then, thought and mental mechanism processes can be observed and interpreted and therefore causality can be explored as an explanatory factor in theory (Benton & Craib, 2011).

Thirdly, scientific research products within the paradigm of critical realism are, in opposition to (logical) positivism, not verifiable but only fallible and anyway provisional, never ultimate. In opposition to anti-positivist paradigms such as the constructivist (and post-modernist) paradigm, research results can be fallible, in terms of being provisional on the quest towards and external reality. Thus, critical realism rejects the constructivist ontological acceptance of multiple realities, while clearly accepting the constructivist, relativist or interpretivist position of accepting multiple *perspectives* on reality (Maxwell, 2012, 2013).

Finally, critical realism opposes objectivism and positivism as it is viewing critically, inherent scepticism towards universal laws in science and life. Critical realists take an anti-foundationalist stance with a relativist epistemology towards an ontologically essential reality, while accepting that knowledge is never ultimate

and we as humans will never have an ultimate understanding, rather a provisional idea of reality. All other is then left to “God’s eyes view” (Putnam, 1981, p. 50).

Concluding, I imply a critical realist philosophical position. Ontologically drawing from the idea of the acceptance of essentialism and applying a realist’s worldview. Epistemologically I am taking a constructivist and interpretivist stance, arguing, that the way we gain and achieve knowledge is subjective and therefore our opinions and knowledge as results are provisional and fallible. Further, as a critical realist, I accept the idea of metaphysical objects being equal to physical objects and that causal mechanisms and processes can be observed, explored and described. The objective of critical realists’ scientific work then is to discover, explore and abstract from reality, to theorize and model explanatory models of this reality, while rejecting the idea of ultimate or general laws about this reality. Also, I accept that in order to discover and explore reality, the researcher and the participant may be co-constructing and describing that reality, while it’s the researcher’s obligation to achieve authentic research results through the provision of authentic and transparent research procedures. Then, reasoning and rigour of scientific work can be achieved.

Regarding axiology and ethics in research, the Humboldtian idea of enlightenment through transparency and open learning aligns with my values and beliefs. Consequently, all participation in any research should be voluntary and the actual process of the participant’s actions as part of the research must be made explicit and clear towards them – including providing free choice of participation itself. Participants need to be informed about research aim, context, institutions involved and their possibility of denial of participation. Also, especially in the context of business research, secrecy with regards to (competitive) relevant information must be assured. Thus, where possible, the relation of research result and participant should be made anonymous and implicit. As critical realist, the objective of research is to interpret and abstract data towards a higher level of abstraction, this can be achieved. But this also implies, that data, such as e.g. notes and transcripts of interviews etc., should be handled in safe and access-restricted environments only. The researcher must be sure to act professionally and recognize her role as representative of the scientific community as a whole; the institution or organization in particular. Also, the researcher must recognize

that the research itself could impact thoughts, self-reflection and behaviour of participants and therefore be clear and explicit about the research objectives with regards to interventionist potential, or objective, of the research.

### 3.2 A critical realist's research design approach in business and marketing research

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My research aim is to generate a (substantive) theory about brands, respectively brand and corporate normative strategies, which have at the core of their strategy a 'higher meaning' - which I am calling for the research *purpose-driven brands* (working title). This aim could be approached from different angles: On the one hand I could start with assessing the impact or change, if any, on a consumer side from those brands. On the other hand, I can approach the aim from the perspective of practitioners and who apply such strategies – eventually in different ways - to a certain extent already today.

As my objective is not only to generate theory in order to (at least partially) fill the gap in the existing literature and body of knowledge, but moreover to deliver a contribution to practice, I decided to research with experts from practice on the application of this idea and derive a framework which would allow i) other practitioners to apply such a 'purpose-driven brand' strategy and ii) would build new ground for further (scientific) research in this area. Consequently, I am applying an inductive research approach to induce new theory and contribute this to the existing body of knowledge in business and brand management.

Brands are constructed by organizations and moreover by their employees – and therefore by individuals in a social environment. A brand can therefore also be seen as a social phenomenon being the construct of meaning, defined by those individual human beings (internal stakeholders, such as employees e.g., or external stakeholders, such as agencies and consultants e.g.). The brand further only becomes 'a reality' through the perception of the consumer of the brand, the brand image (J. L. Aaker, 1997; Heding et al., 2009; Kapferer, 2008). Thus, brand research is about researching a social construct, which is meta-physical but in line with a critical realist's perspective in essentialism as a real object, which can be explored and explained.

### **3.2.1 *Interventionist and non-interventionist research strategies***

There is another perspective one could take into consideration when assessing the ‘right’ research design: interventionist versus non-interventionist research approaches (Brydon-Miller et al., 2003):

Interventionist approaches can be generalized as research opportunities, which not only create new knowledge or assess existing knowledge from a different perspective but also rather change something or somebody as part of the research aim itself. Thus, the researcher is intervening the reality with the objective of change to the researched object or organization (Brydon-Miller et al., 2003; Kasl & Yorks, 2002).

My objective itself is not to intervene but rather to contribute to the understanding of a phenomenon and build a theory. However, the research might have an impact and therefore also might change the participants' knowledge and perspectives as their knowledge and ideas about the phenomena might be made explicit and uncovered by my research. As a critical realist, this (potential) joint enhancement of knowledge and theory is acceptable, although not a research objective itself, but it might even contribute to the overall community of marketers and brand builders from science and practice alike.

### **3.2.2 *Qualitative and quantitative data with relation to critical realism***

Easterby-Smith et al. (2012) split research methodology into qualitative and quantitative approaches. Saunders et al. (2012) differentiate between more variants: mainly mixed method, qualitative and quantitative, yet, they further divide it according to methods used such as e.g. “multi-method quantitative” when more than one method is applied to generate data for a general quantitative inquiry.

The data generation and working strategy should be derived from the philosophical assumptions the researcher bases herself in, in order to be congruent with the ‘worldview’ of the researcher but still enable her to achieve the research objective. Again, qualitative research is sometimes under criticism due to the potential lack of generalizability and abstract ability in terms of explanatory strengths. However, the strengths of qualitative research

methodology of generating in-depth insights is mostly accepted (I. Bryman & Bell, 2011; Ormston et al., 2013; Saunders et al., 2012). As a critical realist, I embrace epistemic pluralism and therefore the data generation strategy the research is based on should be suiting the overall aim and research objectives. Thus, as my objective is to explore and contribute explanatory models (theory) to the body of knowledge in science and practice of a new phenomenon, I am investigating the why and how of the observed phenomena (i.e. brands, which claim to have a higher purpose). Thus, I need rich and thick data, to abstract from, rather than broad data in a quantitative manner to verify or falsify. Therefore, I generate qualitative data, while I might include quantitative data to strengthen research results in terms of scientific triangulation (Holliday, 2016).

### 3.2.3 *Research and data collection methods from a critical realist's perspective in the context of marketing research with professionals*

#### 3.2.3.1 *Delphi Technique*

The Delphi Technique (DT) was introduced by the US military research group (RAND) to understand - and more importantly 'foresee' - the future of war scenarios in the cold war better (Häder, 2009; Linstone & Turoff, 1975). The origins of the name (and the basic idea behind it) can be related back to the oracle of the city of Delphi in ancient Greece. The Priests there predicted potential outcomes of war scenarios when asked by the warlords of that time. Further, the priests had a good reputation for their prediction accuracy, which is linked back to the method they applied: The priests did not answer the questions directly as an interview, rather they took them and built anonymous groups to discuss the problem and predicted the scenarios that might happen as results. Only when they reached consensus in their opinion was the prediction told to the inquirer (Adler & Ziglio, 1996; Günaydin, 2014; "Oracle," 2014). This method is basically the base for the DT as it is applied today; the idea is to use a panel of experts which anonymously contribute to an idea until consensus is found within the group and a new concept, framework or idea is developed (Häder, 2009). Murry and Hammons (1995) highlight the ability of the method in terms of its power in solving a problem or a broader question within a research field and to facilitate group consensus.

The method's application differs further on the scale of its application. The German government, for example, uses a DT as a research method with over 1000 participants to predict technological advancements in order to assess state support for innovation programs. But there are also several examples in research where samples of significantly smaller scale exist (e.g. 15 participants in research conducted on the 'ideal' lecture in school) (Häder, 2009)

There exist various applications and therefore different definitions of the DT (Twiss, 1976). The core of all definitions reviewed is summarized by Wilson (2012, p. 142) as the "Four features: (1) anonymity, (2) iteration, (3) controlled feedback and (4) the aggregation of group response". Adler and Ziglio (1996) further add, that the DT can also ideally be used as a communication tool for experts who are not in the same location, as the process allows communication between the experts, steered by the researcher who takes a role of a moderator.

In summary, the core strengths of DT are to build aggregated knowledge from experts while balancing out singular opinions. Not to underestimate the power of the technique's ability to collect input from experts dispersed around the globe, especially when it comes to balancing out potential cultural differences and therefore different opinions.

In general, the role of the researcher is to aggregate the feedback and input from the various rounds conducted and to steer the participants to be enabled to achieve consensus (Linstone & Turoff, 1975). General criticism towards the DT is that the researcher has significant influence on the data as the aggregation needs subjective interpretation in order to build the base for the next round (Schulz & Renn, 2009).

A major concern on the application of the DT method is, that the participating experts might not critically add in the revision rounds to the input delivered from their peers, but rather could tend to agree as ideas are pre-described and as such the experts might be biased towards agreement, rather than building their free opinion (Sackman, 1975). Secondly, in order to generate thick and rich data for my research aim, I would need the practitioners to participate in several rounds and commit a significant amount of time – over a period, with several touchpoints. Having worked myself over a decade in several leadership positions in marketing,

I do not believe I can secure the commitment of the participants throughout the overall process and therefore reject the DT as research and data collection method.

### 3.2.3.2 Grounded Theory

Grounded Theory (GT) has been developed by the scholars Glaser and Strauss (1967), who set out to develop a method in qualitative research which is clearly and precisely enough defined to withstand the criticism from researchers with positivistic research philosophies (Easterby-Smith et al., 2012; Urquhart, 2013). At that time, the ‘great divide’ between researchers who argued about the validity and appropriateness of qualitative research was probably at its climax and Glaser and Strauss set out to deploy a method for qualitative research which would eventually become accepted by all researchers, independent of the researcher’s philosophy and belief in the validity of qualitative versus quantitative research (Saunders et al., 2012).

GT is more than a data collection technique itself, but also highly disputed and discussed among scholars in terms of its actual stance in science (methodology, method or paradigm) (Easterby-Smith et al., 2012). The discussion in GT applications is broad about the ‘right’ application of the method and even Strauss and Glaser have gone separate ways (I. Bryman & Bell, 2011; Easterby-Smith et al., 2012; Saunders et al., 2012; Urquhart, 2013). Urquhart (2013) acknowledges this view but highlights the advantages of GT as an approach to research design overall in qualitative, quantitative and mixed-methods inquiries, as she describes it as one of the most flexible research methods but precise enough to guide the researcher sufficiently through the cycle of data generation, analysis and the conclusion upon.

The core strengths of GT are its original idea: to generate new theory emerging from the data. This is explicitly true for GT compared to other methods, as the basic idea is that the theory will emerge from the data first and then can be triangulated within the existing broader area of research and body of knowledge. Although there are different versions of how to conduct a GT study, this is common ground to all GT-researchers (Creswell, 2013; Glaser & Strauss, 1967).

Further, there is uncertainty about the right approach about conducting a GT-method-based research: There can be found numerous advice in the literature, that to apply GT the researcher should (almost) start from scratch while embarking on his research journey, solely based on his research aim. No literature review should be done as the potentially emerging theory would be or could be biased from existing knowledge and theory. As the objective of GT is to build new theory grounded in the data, this would be misleading the researcher (Easterby-Smith et al., 2012; Glaser & Strauss, 1967). However, many scholars argue that this should not be the approach to GT as the researcher not only should be familiar with the literature and existing knowledge in his subject under investigation but also must have the broader knowledge in order to be enabled to develop thorough research objectives and questions (Birks & Mills, 2012; Urquhart, 2013).

GT provides not only a method but also a systematic way of analyzing data from qualitative research: with several levels of coding, the researcher builds thematically the emerging theory right in the end throughout data analysis. This approach is quite unique to GT, although it can be found in comparable application in applied thematic analysis. However, the objective of GT as a method of data analysis is different from applied thematic analysis. With the ladder, the researcher uses pre-defined codes in order to cluster the data and derive meaning from it, often in order to build hypotheses for further research (Guest et al., 2012). As outlined above, the core of GT is not actually the coding and clustering of data in order to make sense out of it and find commonalities, rather the coding in GT is a technique to enable the researcher to let the theory emerge from the data analyzed and focus on developing the theory from it (Urquhart, 2013).

GT has evolved as an approach to enable qualitative research in a structured way with the overall objective to inductively generate new theory, which is my overall research aim (Charmaz, 2014; Easterby-Smith et al., 2012; Glaser & Strauss, 1967; Holden & Lynch, 2004; Ormston et al., 2013). GT further enables to process rich data from existing knowledge and empirically generated data to contextually build meaning out of the data and to contribute to the existing body

of theory (triangulation) (Clough & Nutbrown, 2012; Creswell, 2013; Fischer & Otnes, 2006; Glaser & Strauss, 1967; Ritchie & Ormston, 2013).

To generate the empirical data, I conduct semi-structured expert interviews. Semi-structured interviews will allow to build a directed and context-rich knowledge sourcing, as the key foundation in GT (Charmaz, 2014; Morse, 2007). The base structure of the interviews will be the research questions themselves. The practitioners might apply very different approaches regarding the implementation of purpose into their respective brand strategies: Consequently, I am applying a theoretical sampling strategy, which is flexible enough to be open for new insights during the coding and data analysis process and finally triangulate with further literature.

GT as methodology would fit my research aim and objectives in-line with my critical realist's worldview. Yet, due to the broad discussions, starting with what GT actually is, down to how it can be applied, I elaborate my research design choice, with focus on GT, more in-depth in the next chapter.

## **Chapter 4: Grounded Theory and theorizing: A critical realist's perspective**

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In order to derive a solid and theoretical coherent research design, I discuss the evolution and different methods within the GT methodology schools of thought. Many studies and research projects claim to be a GT study but miss out the strengths of building a research paradigm, which is consistent between the researcher's philosophical stance, deriving the right research design in terms of methods and therefore the results might be challenged. Thus, besides the contribution to the body of knowledge in the discipline of marketing science, I intend to provide an overview with the following explanations and elaborations for the novice Grounded Theorists. With that, I believe we can all gain more clarity in understanding about different approaches and designs of research projects while building my own, coherent overall paradigm.

### **4.1 Introduction to Grounded Theory**

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With Glaser's and Strauss's (1967) work "The Discovery of Grounded Theory" (*Discovery*) a new methodology has been introduced to the research world, although it did probably only become more widespread and applied two decades later (M. Kenny & Fourie, 2014). Today, Grounded Theory (GT) is a methodology, which has developed and evolved and is applied across sciences and different philosophical stances in research (Urquhart, 2013). Although it can be seen as a 'success', in terms of introducing a new way and process of doing research, and its broad adoption across different disciplines of science, including business, management and market research and research philosophies – it may be used in different ways and has evolved further from different perspectives and philosophical stances (Goulding, 2002). Thus, it makes it hard for the novice researcher to cut through the clutter and understand 'real' GT and it takes time and effort to locate oneself in the broad possibilities of application and how to do grounded theory (Evans, 2013). Before laying out my personal perspective on GT and the application of it in my doctoral research, my philosophical stance and how it relates to GT and its processes, I had to go through GT's development stages and think it is necessary and important to precisely explain that journey to the reader. In order to apply GT, as a novice researcher and doctoral student,

one should understand its intention as a methodology, its pitfalls as a process and its strengths in a research paradigm in-depth and breadth as there are many studies published which claim to apply GT as a methodology, but fall short of some of its core strength due to methodological misinterpretations (Holton & Walsh, 2017; Urquhart, 2013).

*Discovery* has been the seminal publication, introducing a new methodology to build theory from data, derived from previous experience of the authors (Glaser & Strauss, 1965b, 1967). GT became a success story in academic, qualitative research and it is accepted as such with institutions and universities today (M. Kenny & Fourie, 2015; Urquhart, 2013). However, *Discovery* was not a clear and precise procedural oriented proposal for a new methodology and not at all descriptive in terms of process and application of the single steps proposed by it. Rather, it can be seen as an ex-post documentation of the *conceptual* idea of conducting qualitative research with academic rigour, based on the process of the joint study by the author's (Charmaz, 2014; Denzin & Lincoln, 2018; Gibson & Hartman, 2014; Glaser & Strauss, 1965a, 1967; Urquhart, 2013).

One should be aware of the then 'state of the art' positivistic, 'natural science influenced' way of academic research and work; this philosophical stance might have been the dominating one in the first part of the 20<sup>th</sup> century and led to potential frustration among researchers and grew new ideas on how to challenge this by some scholars, including Glaser and Strauss in the 1960s. Rather than verifying the hypothesis, deducted from existing research, they proposed that science should be about generating new concepts and theories, grounded in data of (qualitative) research and working inductively would advance science and knowledge (Gibson & Hartman, 2014; M. Kenny & Fourie, 2014). Their very first, joint publication about building theory from qualitative research introduced a new perspective to research approaches and paradigms overall (Glaser & Strauss, 1965b). It was the 1960s, "The times they are a changing" was the song title by Bob Dylan, which dominated a younger generation across the US and Europe, often with intellectual hot spots at universities. It became the decade in latest history of changing old, retracted ideas and concepts. In society at large, in terms of freedom, enlightenment and overall free-thinking, but also and explicitly at universities, led by the student revolts. Change and overcoming traditional

perspectives with new ideas has been probably the dominant way of doing things by a younger generation of scholars during that period (Fraser et al., 1988). So, *Discovery* itself can be seen as a challenger-thinking-driven book, which probably was sought to ignite change, rather than delivering a final, perfect new research methodology in all detail. Thus, Glaser's and Strauss's seminal work is providing less guidance in rigorous detail of application; instead, it is putting a new methodology in the perspective of paradigms and philosophical underpinnings with regards to qualitative research (Lincoln et al., 2018; Walsh, 2015). A manifest against the old and for new approaches in science. The overall objective of *Discovery* can be summed up into the ignition of an idea to generate and contribute new theory, which is grounded in data and enables the researcher to contribute new concepts, rather than verifying existing ones (Charmaz et al., 2018). Glaser and Strauss were unsatisfied with the idea of research as an oversimplistic, nomo-ethically oriented discipline to find and prove the truth and achieve generalizability as a means to an end. Instead, they were driven by the idea of understanding, contextualizing and deriving meaning and therefore context-rich new ideas and theory from research (Breckenridge et al., 2012; Corbin & Strauss, 2015; Glaser & Holton, 2004; Holton, 2008; Holton & Walsh, 2017; Strauss, 1987). However, qualitative research has been diminished, at that time, at most academic institutions, to a certain extent. To generate new theory from data, thus working inductively, was simplistically said not 'state of the art'. Especially not for young researchers or doctoral students (Gibson & Hartman, 2014). Therefore, Glaser and Strauss counter-introduced with *Discovery* a conceptual framework of generating new theory from data, working inductively and applying qualitative methods (thus, grounded theory; the theory is grounded in the data) (Urquhart, 2013).

Today, the proposed ideas and concepts of *Discovery* build the foundation of GT, although with scholars building the original GT concept forward, imposing own perspectives to it and deriving adapted, new research paradigms. GT, therefore, can be described as a methodology with different ontological and epistemological underpinnings today. Thus, GT has clearly evolved and can today hardly be seen as *the Grounded Theory*. Instead, its different versions, with different philosophical perspectives, research areas and aims have led to different

approaches of doing GT which include commonalities at their core, yet differ in its application, the process of generating theory and also objectives in terms of applicability, transferability or generalizability of outcomes and universal versus local application of such (Gibson & Hartman, 2014; Holton & Walsh, 2017). No matter of GT version and paradigm, it is accepted, that with *Discovery*, Glaser and Strauss "... made a cutting edge statement" (Charmaz, 2014, p. 7). The criticism of the deductive, quantitative dominance in science was fundamentally supported by proposing a new, generally systematic methodology of applying inductive, qualitative research: "Grounded Theory methods demystify the conduct of qualitative inquiry (...). The method fosters gaining both analytic control and momentum" (Charmaz, 2014, p. 5).

#### 4.2 GT and the evolvement into different research paradigms: the small divide

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When engaging with GT, mainly as a novice researcher, one quickly encompasses the challenges of its diverse versions and applications as well as different procedures alongside those versions (Elliott & Higgins, 2012; Urquhart, 2013). Thus, one should seek to understand the origins, the context of the development, its overall historical-laden paradigms etc., in order to be able to understand what happened and changed by whom for what. Only then, consistence in the researcher's philosophical perspective and the development of a coherent research paradigm, embedding GT methods, will be fitting one's individual research aim and philosophical stance (Breckenridge et al., 2012; Evans, 2013).

When scholars speak of the 'great divide', they refer to the extremes of the continuum in research paradigms and their own philosophical underpinnings (Ormston et al., 2013; Saunders et al., 2012). When approaching GT, one could think - as a potentially, aspiring novice grounded theorist - of the 'small divide'. It occurred only after the joint publication of *Discovery* and the subsequent further evolvement of GT by its originators and other authors. Glaser and Strauss diverged into different standpoints with regards to doing GT, by Glaser (1978) publishing his first book without Strauss, with which Strauss (partially) disagreed with and published his own standpoint, early on in collaboration with Corbin (Corbin, 1991; Corbin & Strauss, 2015; Strauss, 1987). Glaser harshly critiqued

Strauss in letters, which he went on to publish in his succeeding book: “Your work is fractured and scattered” as it “... distorts and misconceives grounded theory while engaging in a gross neglect of 90% of its important ideas. (...) You wrote a whole different method, so why call it ‘grounded theory?’” (Glaser, 1992, p. 2). After Strauss’ death in 1996, Corbin named the version, proposed by Strauss (and herself), *Straussian GT* (SGT) (Strauss & Corbin, 1998). While Glaser kept closer to the original GT methodology, his enduring work and the evolution of GT became later known as *Glaserian GT*, or more common: *Classic Grounded Theory* (CGT) (Glaser & Holton, 2004; Holton, 2008; Holton & Walsh, 2017).

A third approach is *Constructivist Grounded Theory* (CoGT), developed and introduced by Charmaz (2006); (Charmaz, 2014). Her approach differed significantly in terms of theoretical and philosophical assumptions, which also was her main critique of the original GT and its subsequent versions, SGT and CGT.

All three variants applied today can be seen to have their roots in the original GT, but, as shown in Figure 11, have departed to become theoretical research paradigms with significant differences on their own.

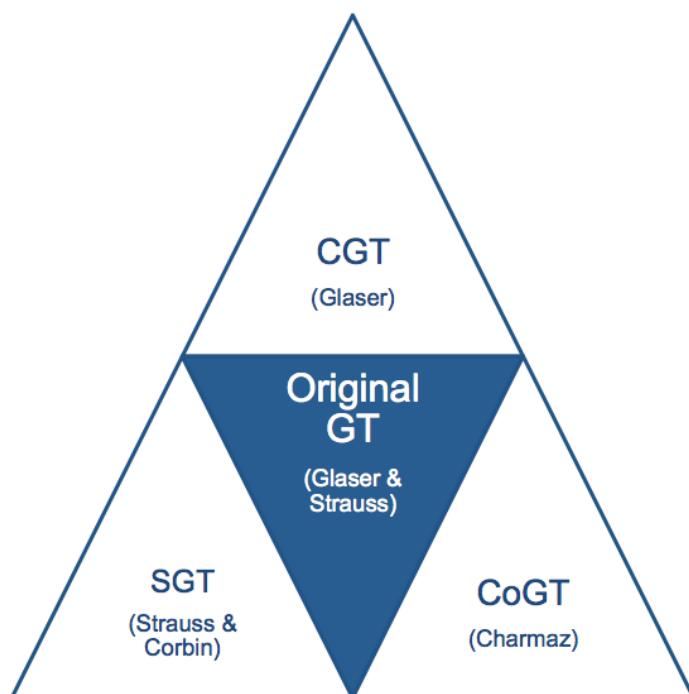


Figure 11 - Main routes and versions of Grounded Theory

Original GT proposed a new research approach and way of theorizing, inductively; its objective was to *discover* new theory, grounded in data. Although some guidelines for how to do GT were provided, *Discovery* was not so much about precise procedural research design and overall GT's location in research paradigms with clear theoretical and philosophical underpinnings. Probably because the two author's had less agreement in those parts than one would think initially (Charmaz, 2014).

Glaser later was postulating GT as an overall research *method*, with great freedom in its application and process, so the creativeness of the researcher's mind wouldn't be overlaid by academic rigour and therefore new ideas could be discovered in the data. The new theory would emerge to the researcher. Glaser insisted, that GT as a method is *per se* philosophical unladen and with the embedded 'all is data mantra' also open for application with quantitative, qualitative and mixed methods research designs: "Let me be clear. Grounded Theory is a general method. It can be used on any data or combination of data." (Glaser, 1999, as cited in Urquhart, 2002, p. 47)

Strauss later postulated GT as a clearly defined, *procedural set of methods* and developed it further, with much more detail to its execution and process (Strauss, 1987). Strauss disagreed with Glaser about the importance of freedom and creativeness for data analysis and with his openness for applying GT as a general method for theorizing, in favour of process-orientation for academic rigour with qualitative methods. He defined GT as:

"... a style of doing qualitative analysis that includes a number of distinct features, such as theoretical sampling, and certain methodological guidelines, such as the making of constant comparisons and the use of a coding paradigm, to ensure conceptual development and density." (Strauss, 1987, p. 5)

Strauss also introduced a new and much more prescriptive and detailed coding paradigm for doing grounded theory, than Glaser did or intended to do. Actually, Glaser refused to see GT as a rigorous and strict process design. He described it much more as on overall methodology, with the strength of flexibility to suit different ontological and epistemological perspectives, while enabling new theory

discovery and theory generation, grounded in data. He trusted that the researcher will get the conceptual idea from *Discovery*'s abstract meta-descriptions of GT and indulge in the research with own ideas and philosophical perspectives. Rather, he continued, with his newer publications on doing GT, to enable the researcher applying the more open approach for ensuring that no theory will be forced upon the data but the researcher will be enabled to discover such in the data (Glaser, 1998; Holton & Walsh, 2017).

Corbin (1991), who worked closely with Strauss and published with him in 1990 the first joint book on GT, emphasized his more rigorous and procedural-oriented design of GT. Besides the differing coding procedure in CGT and SGT, Strauss & Corbin emphasized the notion of *creating* theory with GT as a method, rather than discovering it. This shows a deviation from the ontological idea of theory 'being out there in the data and should be discovered by the researcher'. Rather, both "... conceded the positivist nuances embedded within the terminology of discovering a pre-existent theory which emerges from 'out there'" (M. Kenny & Fourie, 2015). She went on to develop and evolve the joint work further after Strauss's death and published the first version of the joint book in 1998 after Strauss's death (Strauss & Corbin, 1998). Although core tenets of GT, such as e.g. theoretical sampling and constant comparison remained in the 'Glaserian' as well as the 'Straussian' versions of GT, the departure of GT as a unified research method was history – if it ever may have been:

"The method described in that book (Corbin & Strauss 1998), published after Strauss's death in 1996, deviated completely from original GT-methodology (Glaser & Strauss, 1967) because of its descriptive, deductive and verificational focus – as opposed to a grounded theory's explanatory, inductive and discovery focus. (...) Corbin (2007) has called their method Straussarian GT and has asserted that it is not a research methodology but rather a qualitative data analysis approach." (Hernandez, 2010, p. 152)

Charmaz, a former doctoral student of Glaser and Strauss, added to this discussion by arguing, that all, CGT, SGT as well as the original GT in *Discovery*, are not theoretical unladen (Charmaz, 2000; Charmaz et al., 2018). To the

contrary, she argued that all versions, to certain extents, are correlated with traditional positivism as all assume “... an objective, external reality, a neutral observer who discovers data, reductionist inquiry of manageable research problems, and objectivist rendering of data” (Charmaz, 2000, p. 510). Therefore, Charmaz rejected all GT versions and re-build GT into CoGT – with clear theoretical and philosophical underpinnings in an overall research paradigm, based on the ontology of subjectivism and epistemology of constructivism. With that, Charmaz introduced a new coding procedure (the third one to GT) and emphasized the importance of co-creating theory with the participants, rather than discovering a pre-existent theory in the data (Charmaz, 2006, 2014; Charmaz et al., 2018).

#### 4.2.1 *Convergence and divergence in Grounded Theory methodologies*

M. Kenny and Fourie (2015) have provided a meta-analysis of GT and its different versions, which concludes, that there exist several points of difference but also points of parity between the three major versions of GT (CGT, SGT and CoGT). All three major versions of GT apply the method of constant comparison, theoretical sampling, theoretical sensitivity and theoretical saturation as well as a coding strategy or paradigm shall be applied. Also, all three versions stick to the original GT method of memo writing as a guiding principle of the research process. Further, the differentiation of the research product (the grounded theory itself) is distinguished into substantive and formal (grounded) theory.

##### 4.2.1.1 *Points of parity across the GT landscape*

The convergent elements of GT trace back to the roots of the original GT methodology, described in *Discovery* by Glaser and Strauss (1967) and are broadly accepted throughout all versions of today's GT landscape (Ahmed & Haag, 2016; Breckenridge et al., 2012; Charmaz, 2006, 2014; Charmaz et al., 2018; Corbin & Strauss, 2015; Evans, 2013; Glaser, 1978, 1998, 2003, 2009, 2014a, 2014b, 2016; Glaser & Holton, 2004; Glaser & Strauss, 1967; Holton, 2007; M. Kenny & Fourie, 2014, 2015; Strauss, 1987; Strauss & Corbin, 1998; Walsh et al., 2015).

#### 4.2.1.1.1 *The theory of theory, with regards to grounded theory*

##### Towards a definition of theory

The description of what theory is, its constructs, tenets, processes and internal relations as well as context, may vary among scholars. This depends on their ontological and also epistemological stance. There might be anyway no philosophical-neutral definition therefore of *theory* as such (Holton & Walsh, 2017; Miller & Tsang, 2011).

Holton and Walsh (2017) propose to utilize for CGT Gregor's "... all-encompassing definition" (p. 16), as it can be seen as philosophically neutral as possible. This view meets also the requirements of other author's and scholars, engaging with GT (Birks & Mills, 2012; Elliott & Higgins, 2012; Urquhart, 2013):

"Theories (are) abstract entities that aim to describe, explain and enhance understanding of the world and in some cases to provide predictions of what will happen in the future and to give a basis for intervention and action." (Gregor, 2006, p. 616)

Gregor (2006) asserts, that in terms of structure and form theory can achieve four different levels of theory: description, explanation, prediction and prescription. Also, as a fifth level, explanation and prediction can be combined in theory, in order to generate testable, causal explanations. When those are confirmed (hypothesizing and verification) theory can explain and predict. The five levels of theory are summarized in Table 2.

Level	Theory Type	Answers the following questions	Description
I	Analytical	What is it? What is happening?	The theory analyzes and describes phenomena but no causal relationship is highlighted
II	Explanatory	What is it? What is happening? How? Why? When? Where?	The theory explains but does not predict. It does not highlight propositions
III	Predictive	What is it? What is happening? What will be? What will happen?	The theory predicts and highlights testable propositions but does not develop justified causal explanations
IV	Explanatory and predictive	What is it? What is happening? How? Why? When? Where? What will be? What will happen?	The theory predicts and also highlights testable causal explanations
V	Prescriptive	What should be done? How should it be done?	The theory explicitly prescribes (methods, techniques, principles)

Table 2 -Types of theory; source: Adapted from Gregor (2006)

The interrogation of those primary objectives can lead to five types of theories, which are interrelated but may answer different types of (research) questions.

According to Holton and Walsh (2017), GT must reach at least Level II, as the core objective of theory building within GT is to discover and explain phenomena – grounded in data, explored and abstracted with the application of a coding strategy.

#### Substantive Grounded Theories and Formal Grounded Theories

Finally, all versions of GT differentiate between *substantive theory and formal theory*. The substantive theory relates to a particular area of inquiry, i.e. to the substantive area in which the research is conducted. Common to the understanding of theory in all versions of GT is that every GT will first be a substantive theory and then can be transferred to other substantive areas of inquiry in order to formalize the GT. How this is achieved in detail, and the degree of possible formalization may vary across the versions of GT (Glaser & Strauss, 1965b, 1967).

The discussions within the ‘great and small divides’ are mostly tied to the validity and generalizability of achieved research results. This ‘Gordian Knot’ to the (novice) researcher can probably be resolved, within GT, when the researcher manages to formulate clear research objectives in terms of what the success-

criteria will apply to the expected generated (grounded) theory. Different research with different theoretical outcomes can be at different levels of applicability, transferability or generalizability. This is mostly associated with the theory's level of abstraction; a meta-theory is at a high level of abstraction and mainly provides "... a way of thinking about theories", while a grand theory is abstract, less detailed in observational data and "... unbounded in space and/or time" (Gregor, 2006, p. 616). Whereby some empirical abstractions may be rich in observational details and overall "... bounded in space and time" (Bacharach, 1989, p. 500). Lee and Baskerville (2003) build different levels and types of generalizability and transferability, which provide criteria absent of statistical methods and sampling-base-sized assessment: First, the researcher can abstract from data to description, second from description to theory, third from theory to description and fourth from concepts to theory. The different types of generalization are summarized in Table 3.

Generalization	Toward empirical elements	Toward theoretical elements
From empirical statements	Description of data	From description to theory
	The researcher measures, observes describes	The researcher conceptualizes from the data
From theoretical statements	From theory to description	From concepts to theory
	The researcher applies to a given context a theory developed and confirmed in another context	The researcher highlights propositions linking concepts

Table 3 - Types of generalization, abstraction and transferability; source: Adapted from Lee and Baskerville (2003)

With regards to GT, "... generalization [in terms of abstraction] is done from data to theory through conceptualization, even though one often starts from data to description in order to see through and understand the data, that is (...) indicating in order to conceptualize" (Holton & Walsh, 2017, p. 20). Thus, the grounded theorist is supposed to take a stance, which allows her to become as engaged enough as possible with the researched object in order to observe for description while being distanced is not of importance *during the research* but when being reflective in conceptualizing from the data (described in the first step), i.e. when building and *generating theory* from the description. This can enhance

abstraction and be a determination for generalizability, transferability or applicability (regardless of level) for the produced grounded theory. For generating a grounded theory, it is critical that the researcher passes the level of building empirical elements through description only. A GT is only then developed as such when the conceptual theory is built *from description to theory*, although the researcher will build detailed descriptions from the data with a coding strategy in the first place (Holton & Walsh, 2017; Urquhart, 2013).

Further, to build and generate a substantive theory, the conceptualized theory must be linked and contextualized with the substantive area of inquiry. *Substantive (grounded) theory* (SubGT) must, therefore, reach beyond the observed indicators, conceptualize from description to theory and apply to the (pre-defined) substantive area of inquiry (Urquhart et al., 2010). A SubGT is the first step and level into theorizing and is more than an intermediate research result. It is the first theory which itself can be located to broader knowledge with a theoretical framework. This embedded SubGT is the first level of new theory and therefore accepted as a contribution to knowledge already. It is of its significance and due to its grounding in the data and contextualization, as well as its relative relations with the existing body of knowledge - in the substantive area of inquiry - a new theory. Grounded theorists accept the limitations of it in terms of its broader application to other substantive areas. Those limitations can be weakened when SubGT is formalized further, towards a Formal Grounded Theory (Weick, 1995).

*Formal (grounded) theory* (FGT) itself is abstract and does apply beyond the substantive area of inquiry, i.e. reaches in terms of scope, generalizability, or transferability and applicability to a higher level of abstraction – specifically in terms of time, place and people. The level of abstraction is not predetermined and a generally applicable level cannot be proposed, but it depends on the breadth and depth of the theoretical sampling base, with regards to the application of the SubGT beyond its original substantive area of inquiry (Glaser, 2007). Formal grounded theory, therefore, can be defined as:

“A theory of S[ub]GT core category’s general implications, using, as widely as possible other data and studies in the same substantive area and in other substantive areas” (Glaser, 2007, p. 99)

FGT is based on a substantive grounded theory and makes findings “... meaningful on a larger scale” than the substantive GT, as it extends the applicability of such across other substantive contexts, settings or both (Kearney, 2007, p. 131). Also the starting point to build GT is from data to description, abstracting from descriptive level via conceptualizing from description to theory to build firstly a SubGT, FGT then can be developed to “... enhance the theory, widen its scope or in other ways improve it – but not to verify or falsify it” (Urquhart et al., 2010). Thus, GT can be applied as a method to explore phenomena and build data-driven theories via first a descriptive level and secondly a conceptualizing level towards explanation theory.

Benton and Craib (2011) assert, that from a critical realist’s paradigm, theory-building compromises three major steps: First, the researcher engages with what can be discovered or observed (data in general). Secondly, through analyzing, interpreting and reframing in terms of integration data and events into a coherent, abstracter pattern, she then can identify incidents in the data and explore causal processes to be induced, which constitute those incidents. Then substantive theory in the particular area of inquiry can be inductively built and described. Third, to move towards formal theory, the researcher would formulate hypothesis from the substantive theory, to be experimentally applied to other substantive areas in order to increase formalization. However, as critical realists see knowledge only as provisional and fallible, formalization itself is a creative process which never can be regarded as ultimate and verifiable.

Concluding, one can state that applying GT, as an integrative, inductive method, does not imply an idiographic or nomothetic perspective per se. Both directions are possible, depending solely on the researcher’s philosophical stance. It, therefore, provides enough flexibility to be included in different research paradigms with differing philosophical assumptions, depending on the researchers overall philosophical stance and research aim (Holton & Walsh, 2017). Generating new theory with GT means moving from data to an abstract,

descriptive level and theorizing from the descriptive level, while contextualizing with existing knowledge in the substantive area of inquiry. Substantive formalization is achieved with theoretical sampling in substantive different groups or with individuals, or social units or contexts of those, but within the same 'setting'. Setting is defined as the substantive area of inquiry, so the researcher must carefully chose the samples from comparable settings, also they should differ on an individual level to achieve a broader degree of generalizability, or transferability or applicability of the (grounded) theory *within* the substantive area of inquiry (Glaser & Strauss, 1967; Walsh, 2015). Thus, 'General Substantive Theory' is a complete Grounded Theory, in the sense of a new generated theoretical contribution to knowledge, while accepting its limitations in generalizability, transferability or applicability for other (substantive) settings. Figure 12 provides the dimensional categorization of GT; to reach the level of substantive theory, the researcher must provide substantive formalization with the same substantive area of research, the research setting.

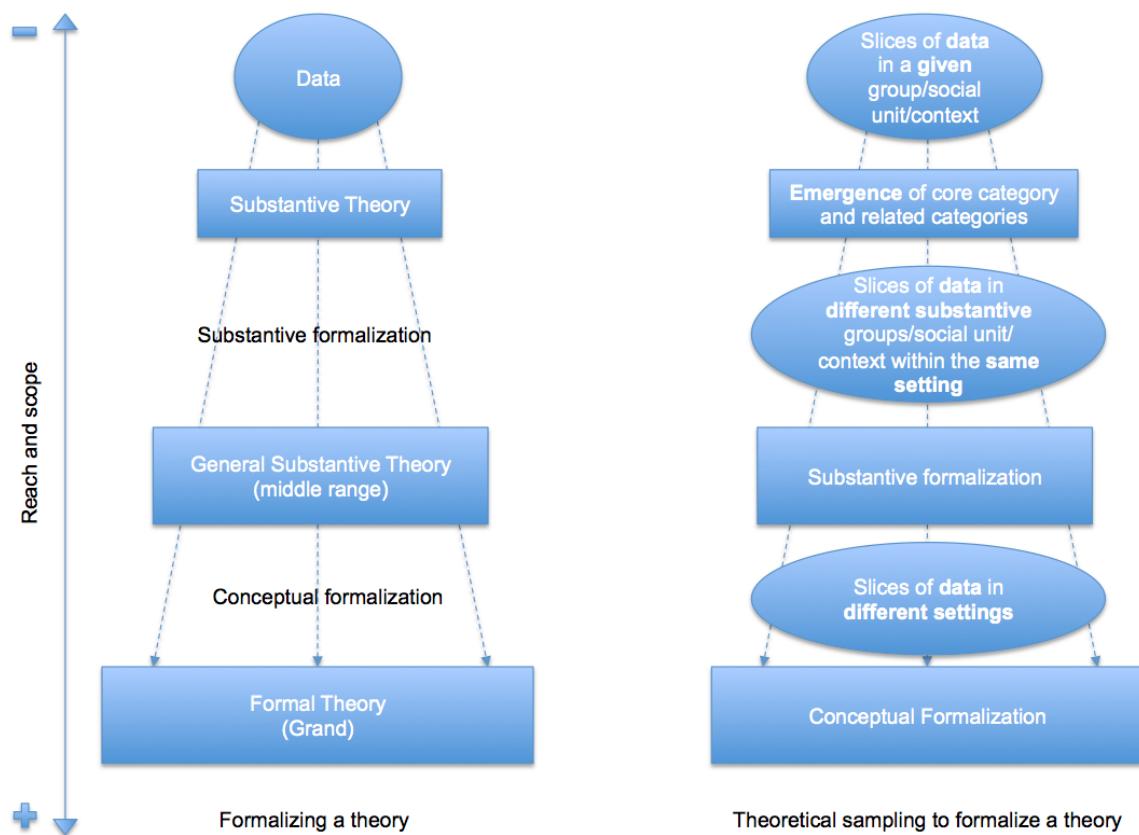


Figure 12 - From Data to Substantive and Formal Grounded Theory; source: Translated and adapted from Walsh (2015)

#### 4.2.1.1.2 Constant comparison and data analysis

Among all three major versions of GT, data collection, analysis, and coding procedures are not to be separated, but interdependent (Gibson & Hartman, 2014). Thus, the method of *constant comparison* is a core tenet to GT. Constant comparison is described as the on-going effort to interrogate data while analyzing and while coding it. This will lead the researcher to an enhanced understanding of the data and therefore, the theory or its elements will emerge from the data. While Glaser (and Holton) stick to the idea of emergence, Strauss (and Corbin) impose a more rigid coding process to create theory out of the data and Charmaz asserted that the co-construction of researcher and participant will lead to insights in the data and the theory, therefore, can be constructed (M. Kenny & Fourie, 2015). Despite those different perspectives, all versions share a basic, three-step model of constant comparison, which is summarized in Figure 13.

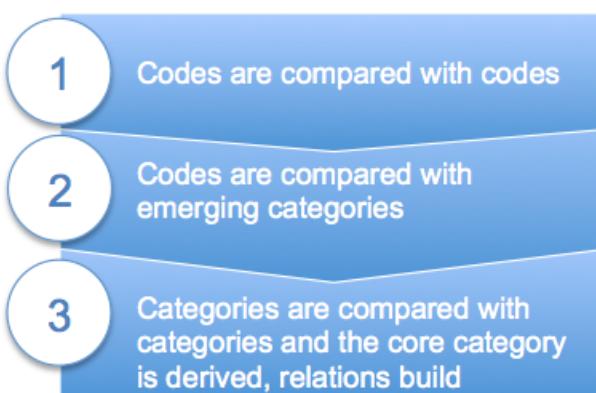


Figure 13 - Constant Comparison commonalities in GT's routes

Also, all versions of GT share the concept, that the data shall be analyzed by the researcher with the application of a *coding strategy*. The necessity of the coding strategy is broadly accepted, although the coding strategy's procedure varies significantly among CGT, SGT and CoGT. However, the idea of constant comparison as a method of GT is undisputed.

#### 4.2.1.1.3 Theoretical sampling and saturation

Glaser and Strauss introduced a second method core to all variants of GT also today, which is called *theoretical sampling*. While the researcher constantly compares the data at hand, she will also recognize where she lacks insight and data and therefore this should be the guiding principle for the sampling process.

Thus, when starting a GT research, the sampling strategy starts purposefully, but with the first data set(s) produced guided by the knowledge gained by constant comparison. Then the researcher should sample further to close and saturate the open questions and gaps within the data. This circulation in sampling is followed until no new insights or new knowledge can be gained in the data set(s). This is then called *theoretical saturation*.

#### **4.2.1.1.4 Memo writing and reflection for theoretical conceptualization**

Also common to all versions of GT is the method of *memo writing*. Memo writing is meant to serve two major functions when doing GT. First, it will enable the researcher to reflect on the participants' voice and context in order to avoid imposing the researcher's own view (also she may co-construct when applying CoGT), but rather ensure that the categories built are reflecting the sampled data. Secondly, memo writing shall enhance the researcher's ability to write up and generate theory, from categories and properties and will be enabled by memo writing to go back and forth in the memory of the categorization and data analysis procedure overall.

#### **4.2.1.2 Points of difference across the GT landscape**

The divergent elements of GT's different versions are identified as the coding strategy or coding paradigm, the use and role of literature as well as its location and application in the research procedure. Further, all versions significantly vary in their respective theoretical and philosophical underpinnings. This is especially true for CGT, SGT and CoGT (M. Kenny & Fourie, 2014, 2015)

##### **4.2.1.2.1 Coding Paradigms**

Although all three versions of GT apply in-line with original GT a coding strategy, or sometimes referred to as coding paradigm or coding procedure – used interchangeably, this is a critical part of divergence in GT (M. Kenny & Fourie, 2014, 2015; Urquhart, 2013).

CGT applies the coding paradigm, introduced with *Discovery*, later refined by Glaser and Holton but true to its origin in the original GT (Glaser & Holton, 2004). While the coding paradigm developed by Strauss and Corbin is much more prescriptive in SGT (Strauss & Corbin, 1998), CoGT refuses to apply the rigorous,

procedural coding paradigm used in SGT, yet also differs from the coding strategy of original or CGT (Charmaz, 2006).

### Coding Paradigm of CGT

Although CGT coding paradigm's orientation significantly matches the coding paradigm of original GT, the more recent work of Glaser and Holton (2004) has added more clarity and conceptual, procedural insights on how to apply CGT coding strategy (M. Kenny & Fourie, 2015).

Glaser and Holton (2004, para. 48) propose the researcher to engage with key questions to ask herself during the research process, including: "What is the main concern being faced by the participants?" and "What accounts for the continuing resolving of the problem?". Those guiding questions are intended to guide the researcher during the data gathering procedure, as well as other questions like "What category does this incident indicate?" during the analysis and constant comparison while applying the coding procedure. This coding procedure in CGT has been defined by Holton (2007) in two stages: *Substantive and Theoretical Coding*. By applying both stages with different objectives in terms of data analysis, they are "... imperative to CGT, as they bind all the concepts of the methodology together and undergird the entire research process from conception to conclusion" (M. Kenny & Fourie, 2015, p. 1273). The CGT's coding process is shown in Figure 14.

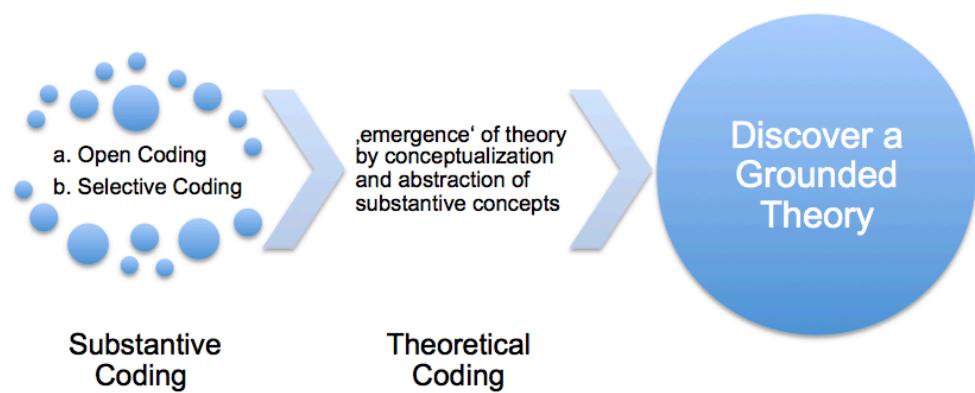


Figure 14 - CGT Coding Strategy

### *Substantive Coding*

The first phase of *Substantive Coding* is further split into two activities of analysis: *Open Coding* and *Selective Coding*.

The researcher starts with *Open Coding* by ‘diving into the data’, sometimes referred to as line-by-line coding. Thus, the researcher engages with the data in detail, in order to find incidents and code them with a keyword. These coded segments are then compared to each other and conceptual groups of those segments are built. These are referred to as conceptual categories, which then are coded with a conceptual title. The objective at this stage is to build as many categories as possible from the data, staying open and being reflective. This will enable the researcher to identify themes and yet not conclude too early on incidents (Holton, 2007; Holton & Walsh, 2017). By applying theoretical sampling and sourcing new data to broaden potential incidents, new categories can emerge. As the density of each category will start to increase, constant comparison will enable the researcher to build knowledge from those about emergent categories and their inter-connectedness and start also to build relations between those categories (Giske & Artinian, 2007). This consequently will lead to the apparent emergence of a principal category, which is central to the substantive area of inquiry and the (initial) research question(s). This core category shall cover the core question proposed by Glaser and Holton (2004) about the main concern of the participants and what accounts for the explanation of the resolving of this concern, in relation to the research question and the substantive area of inquiry.

*Selective coding* is applied, when the core category, including the relationships to the other emerged categories, is identified, the focus of the research is narrowed towards the core category and the relations towards the close situated categories to the core category (Giske & Artinian, 2007). The interview or guiding questions of the research may be refined accordingly, in order to apply theoretical sampling with the objective to increase the knowledge of attributes and tenets of those categories and relations, while clearly leaving other categories, which do not relate or significantly contribute to the principal category behind (M. Jones & Alony, 2011; M. Kenny & Fourie, 2015). Finally, when the density and explanation

of those are saturated, the researcher will integrate those into more abstract, higher-level substantive concepts (Glaser & Holton, 2004; Holton, 2007, 2008; Holton & Walsh, 2017; Walsh et al., 2015).

*Substantive Coding* is a two-fold process, where the researcher will analyze, code and aggregate to a conceptual level codes and relations of those, with the objective of identifying a principally dominating core category and categories in close and meaningful relationship to it. The objective of Substantive Coding is to arrive at a higher level, already somewhat abstract substantive concepts.

### *Theoretical Coding*

The objective of theoretical coding is to "... achieve an integrated theoretical framework for the overall grounded theory" (Holton, 2007, p. 283). This is achieved by arriving at a higher level of abstraction and integration of the substantive concepts and their inter-relationships. Further, memos written in accompaniment of the research and coding procedure are now used as a reflective support to the researcher. The researcher shall now integrate the insights and reflective commentary, built during the process and integrate this knowledge in the process of abstraction. Glaser and Holton (2004, para. 71-74) suggest applying "analytic rules" to the process in order to enable the researcher for sorting of substantive concepts and their inter-relations. Starting from the core category's substantive concept, the relevant and relating memo(s) should be set in the context of the concept and the relations to its surrounding concepts. Next, the other memos are sorted accordingly towards the concepts. This should enhance clarity and theoretical insight towards building the expected theoretical framework of the GT. Also, at this stage, the literature is used as extended conceptual data, already abstract, and related to the concepts and their inter-relations. This comparison should lead the researcher to an emergent grounded theory, in relation to existing knowledge and therefore an overall integrative theoretical framework as the substantive grounded theory, in the context of the substantive area of inquiry of the overall study (Giske & Artinian, 2007; Glaser & Holton, 2004; Holton, 2007, 2008; Holton & Walsh, 2017; J. W. Jones, 2009; M. Jones & Alony, 2011).

### *A critical perspective on the coding paradigm of CGT*

Glaser (2001, 2002, 2016) insisted that when CGT's coding procedure is applied, the core tenet of (C)GT of emergence of a theory to be discovered in the data will be achieved. The coding procedure, especially regarding the voice of the researcher, of (original and) CGT is critiqued by some grounded theorists (e.g. Charmaz, 2000; Bryant, 2002). Besides philosophical and therefore theoretical underpinnings, which I cover in the next section, which lead to critique, the main concern is the proposed abstraction by Glaser and how this ensures that the claimed objectivity of the theory will be achieved. Glaser (2002) responded to this critique by asserting that "... researchers are human beings and therefore must to some degree reify data in trying to symbolize it in collecting, reporting and coding the data. In doing so they may impart their personal bias and/or interpretations" (para. 24). Yet, he continues, by applying the core tenets of CGT, such as theoretical sampling, reflection and integration through memo writing and the integration of this knowledge during theoretical coding, the strict constant comparison and subsequent abstraction through all coding stages, the researcher's potential bias and voice will be only one of many – if at all – and so not influence the overall, abstract theoretical framework and grounded theory as end result. Holton (2007) adds to this, by reinforcing the notion of *emergence* as a core tenet of CGT. In order to enable the researcher to let new conceptual ideas - and finally theory - emerge from the data, requires her to be reflective about what is going on in the data. This is achieved by developing a skill referred to as *theoretical sensitivity* (Glaser, 1978). Theoretical sensitivity is fundamental when conducting a (C)GT study as it ensures that the categories and concepts will emerge from the data, not be forced upon the data. Holton and Walsh (2017) assert, that also the importance of moving from descriptive level to conceptual is also an essential step in building an abstract, un-biased grounded theory.

### Coding Paradigm of SGT

Strauss and Corbin (1990) diverged most significantly from the original GT's coding paradigm with the introduction of a much more detailed and multi-facetted coding procedure, introduced with their first joint publication (M. Kenny & Fourie, 2014, 2015). In order to maintain academic rigour when conducting a GT study, they became significantly more prescriptive and detailed with the application of

the coding paradigm. Further, they argued, the detailed coding process should enable the novice grounded theorist to conduct a quality GT study, by following a clearer and stricter guideline than *Discovery* provided. After Strauss' death in 1996, Corbin named the version of GT, applying this coding strategy (besides other divergent procedural elements) *Straussian GT* (SGT). The overall objective was to deviate from the idea of discovering an emergent theory in the data, towards *creating* such theory from the data (Corbin & Strauss, 2015; Strauss & Corbin, 1990, 1998).

The coding strategy of SGT suggests three stages of coding and introduces a fourth stage, which is supposed to support the researcher to integrate and create a grounded theory. Also the researcher is supposed to go through the four levels of analysis step by step, the originators reinforced, that the researcher also will move back and forward between the single steps and the differentiation between the single levels of analysis are meant to blur (Strauss & Corbin, 1990). As Figure 15 shows, SGT's coding paradigm is significantly more complex than the original one in Discovery – and the main critique SGT is confronted with.

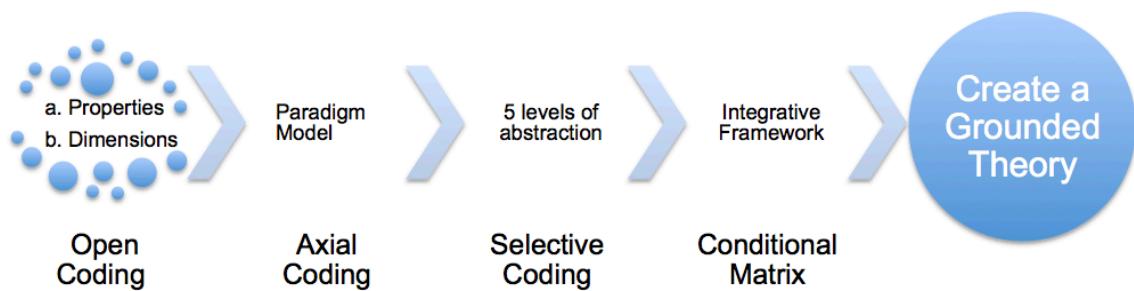


Figure 15 – SGT Coding Strategy

### *Open Coding*

In-line with CGT the first step into data analysis is to begin with open coding, i.e. analysing with detail the data and identify single segments which then get coded with conceptual codes. Yet, in prescription and detail, SGT departs significantly than from CGT (Urquhart, 2013). Through constant comparison, those concepts are clustered into *conceptual categories*. *Sub-categories* may emerge when conceptual categories get saturated. Once saturation of each category is achieved, the according *properties* of each category will be demarcated. Additionally, the properties' dimensions variance and significance shall be

assessed and described, in order to build for each category a *dimensional profile* and locate each on an overall dimensional continuum (Strauss & Corbin, 1990).

### *Axial Coding*

At the next level, the relation of each category with its sub-categories is formed and described. The specifics of those relations are described in the *Paradigm Model*; for each category, five sub-categories are demarcated. *Causal conditions, context, intervening conditions, action- as well as interaction- strategies and consequences*. Each of those sub-categories is then again described with properties, which get ‘dimensionalized’. The objective is to achieve higher-level categories through re-configuring the categories. So, overarching conceptual categories shall emerge through this process and be rich in terms of information density and grow beyond their original (during open coding assigned) properties and their dimensions (Strauss & Corbin, 1990).

### *Selective Coding*

When those, with axial coding already more abstracted, categories become rich and saturated by theoretical sampling and constant comparison, a *core category* is selected. Towards the core category, the others shall be integrated and related in order to create a broad and abstract overall conceptual core category. Once, the core category is clear, the researcher is supposed to engage with five steps, in no particular order necessary. The first is to create a *Story Line*, to present a descriptive element as an overview. This storyline shall be short, limited to some sentences. Secondly, the *Paradigm Model* is used to relate the core category with the newly defined sub-categories. The objective hereby is to *create an overarching theory* in the conceptual form of “A (conditions) leads to B (phenomenon), which leads to C (context), which leads to D (action and interaction strategies), which leads to E (consequences)” (Strauss & Corbin, 1990, p. 125). Thirdly, the properties and dimensions of the core category are built, and the sub-categories are attributed and related to those dimensional ranges of the properties. Fourth, the created theory is seen as provisional, until it is re-checked, i.e. validated, against the data, to ensure it is grounded in, and relational to the data of the study. Finally, if there occur mismatches in the validation between provisional theory and data, the researcher re-engages with theoretical sampling in the data

generation process to produce insight to fill those potential lacks and gaps in the provisional theory. If this is the case, the researcher would not follow a linear process forward, but rather circle within the Selective Coding stage until the validation is satisfying and the created theory moves beyond being provisional, as grounded in the data (Strauss & Corbin, 1990).

### *Conditional Matrix*

The Conditional Matrix is meant to integrate and formalize the three previous coding stages. It consists of eight levels, ranging from micro to macro scale: (1) Action Pertaining to a Phenomenon, (2) Interaction, (3) Group, individual and collective, (4) Sub-Organizational and Sub-Institutional Level, (5) Organizational and Institutional Level, (6) Community, (7) National and (8) International. The idea is to provide a scale, from individual incidents up to general incidents. The conditional path of an incident is followed through several levels, in order to determine where the cause, the determining conditions, the context and the consequences where manifested. This may help the researcher to determine the scale level, where intervention would change an incident was uncovered and change could be applied for the future. Thus, the Conditional Matrix is not part of creating the theory itself, but rather it is an additional step towards potential future action to change externalities (Strauss & Corbin, 1990).

### *A critical perspective on the coding paradigm of SGT*

Although the objective of Corbin and Strauss was to enable future grounded theorists to conduct GT studies at more ‘ease’, by making the high-level, conceptual coding guidelines from Discovery more precise and the procedure more clear, the main critique early on was that the strengths of flexibility and applicability of the original GT was completely eliminated with such a prescriptive and rigorous coding paradigm (e.g. Glaser, 1992; Charmaz, 2000; Urquhart, 2013; Holton 2007; Holton & Walsh 2017). Glaser (1992) explicitly diminished the coding process proposed by Strauss and Corbin as it “... misconceives our conception of grounded theory to an extreme degree, even destructive degree” (p. 3). Glaser continued, asserting that the complex coding structure and rigid, prescriptive steps would force the data into “pre-conceived concepts”, and therefore “interrupt the true emergence” of theory from the data (p. 4). Charmaz

(2000) echoed Glaser's critique and discredited the intensive prescriptions for doing GT, which would transform the "original flexibility" of GT as "immutable rules" (p. 512).

After Strauss' death in 1996, Corbin reformed STG and moved it towards CGT, yet clearly spelling out, that her contribution to SGT might not have been in the original intent of Strauss. However, in her latest book, the 4<sup>th</sup> edition of the original in 1990 published book from Strauss and Corbin, she relaxes the emphasis on the rigid application of the overall coding paradigm of SGT (Corbin & Strauss, 2015; Kenny & Fourie, 2015).

### Coding Paradigm of CoGT

Although the theoretical and philosophical stances, divergence and convergence of the three GT main routes will be discussed later, it is important to mention, when engaging with the coding procedure of CoGT, that Charmaz's CoGT is an adaptation of original GT, mainly influenced by her constructivist theoretical stance. Therefore it should be seen as an overall GT research paradigm, based on the philosophy of constructivism, integrating original's GT method's strengths (Charmaz, 2000, 2006, 2008, 2014; Charmaz et al., 2018).

Charmaz's critique regarding the strict and highly process-prescriptive coding paradigm of SGT is reflected in her proposal of CoGT coding strategy: She explicitly highlights the necessity of a guiding, yet flexible and adaptable coding strategy to GT methodology. She sees the researcher's ability to stay open towards new ideas and categories (emerging from the data and experience from the context of the data collection process) crucially important, being part of the construction as a co-operator and with an interpretivist stance, i.e. jointly with the study's participants. The emphasis of CoGT is finally less (or potentially not at all) on explanation as result, but rather it seeks to enable the study to interpret during the analysis and research, in order to produce a (narrative) *theory of meaning behind action and relations*. Therefore, the CoGT's coding paradigm encompasses two main stages, as original GT does, yet with a less instructive approach in order to enable the researcher's experience and knowledge to become part of the research's results interpretation and adapt to the framework

(Charmaz, 2000, 2008). Figure 16 summarizes CoGT's coding paradigm, which is less complex than SGT's, yet also differs from CGT's coding paradigm.

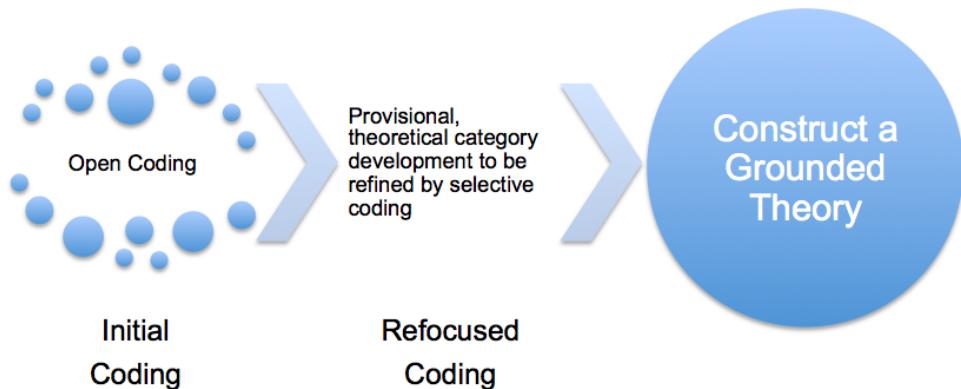


Figure 16 - CoGT coding strategy

### *Initial Coding*

Charmaz valued the idea of Glaser to start the initial coding phase (interchangeably sometimes referred to as Open Coding in CoGT) by having the analyst asking herself two primary questions to govern the first analytical step: “What is the chief concern of participants?” and “how do they resolve this concern?” (Charmaz, 2008, p. 163). She highlights the importance of understanding (and coding for) processes and (inter-) action strategies in this initial coding phase, as this makes “... connections between codes, and [keeps] (...) analysis active and emergent” (p. 164). Thus, the focus of CoGT’s initial coding phase shall go beyond building categories and interrelations, instead the researcher shall explicitly focus on processes and actions in order to interpret behavioural aspects. Categories are given to emerging themes, yet relationships between those categories govern the idea of the constructivist approach to GT. The emphasis of CoGT finally is on the interpretation of the meaning behind the experiences and actions of the participants (Charmaz, 2014; Charmaz et al., 2018).

### *Re-focused Coding*

Once categories and relations between them are established, the second coding phase of CoGT is supposed to move from themes towards stabilizing interrelated theoretical constructs. To achieve this, the researcher shall identify codes and

relations, particularly significant to the substantive area of inquiry. Charmaz refers to those main codes and themes as laden with “analytic momentum”, explained as to “carry the weight of the analysis” (Charmaz, 2008, p. 164; 2014). With the element of theoretical sampling, theoretical sensitivity and saturation, the researcher will refine and concretize the emerged theoretical core categories and their interdependencies in order to move towards an overall theoretical framework. Charmaz also highlights the importance of the element of GT memoing and reflection of the researcher, as this will generate insight and momentum in understanding and connecting theoretical themes. Those memos may also be servant in identifying where to sample from next, as gaps in the data and lack of understanding regarding the relations between core categories can be identified by the reflective process of writing and sorting as well as constant comparison and re-reading memos as part of the overall coding paradigm. The objective of *Refocused Coding* finally is, to *construct* – as the researcher – a CoGT, rich in understanding of processes and actions, based on empirical insight (Charmaz, 2000, 2008, 2014; Charmaz et al., 2018).

#### *A critical perspective on the coding paradigm of CoGT*

Main critique came from Glaser (2002), who concluded that Charmaz’s proposed CoGT is not about the original idea of doing (original) GT, rather it is a form of QDA. His main concern was that CoGT would not result in an emergent theory, as the theory itself, or its perquisites such as concepts and categories, is constructed by the interpretation and co-creation of the researcher and participant. Therefore, CoGT undermines the idea of *emergence* and *discovery* of new ideas, concepts and theory, grounded in data - as the core idea of the original GT. Thus, CoGT is “... neglecting the fundamental properties of abstraction analysis” (Glaser, 2002, para. 24). Subsequently, this will lead to a pure, individual interpretation, rather than a new theory grounded and emergent: The absence and lack of abstraction in CoGT - from participants individual perspectives and the researchers interpretation of such – will undermine the idea of discovering and abstracting new theory (independent of the level of transferability of the findings overall).

#### 4.2.1.2.2 Use of the literature when applying GT

The divergence in coding strategies also implies a lively discussion about the use of literature when conducting GT research. The perspectives on a literature review in context of GT reach from the advice of not doing a literature review at all, doing a literature review but as part of the actual research process, up to the perspective, that also with GT research, a broad and deep literature review can or should be conducted in advance of the research (Urquhart, 2013). This discussion and its (mis-) conceptions are vastly spread and for the researcher within a doctoral program of utmost significance; most institutions ask the researcher to conduct an (initial) literature review already at the stage of the proposal. While there should be a basic knowledge with regards to theoretical and philosophical underpinnings and GT as a methodology, the researcher therefore often must submit a literature review before engaging with any research. Consequently, when starting on the road of becoming a grounded theorist as a doctoral researcher, this discussion needs to be investigated and – as the coding strategy – understood in full to build one's own perspective - as a fundamental part of the overall research design (Dunne, 2011; J. W. Jones, 2009; M. Jones & Alony, 2011; Wu & Beaunae, 2014).

As stated beforehand, regarding the varying versions of GT in general, the discussion about the role of the literature in GT research relates to the underlying philosophical and theoretical underpinnings of each (M. Kenny & Fourie, 2014). This will be explored separately and in more depth. This specific part is supposed to summarize and describe the different perspectives with regards to the discussion about the literature review's role among the three versions of GT, while the paradigmatic inclusion will be considered later.

#### The role of the literature in CGT

Glaser and Holton (2004) recommend suspending the literature review until after the research and data analysis has been conducted. More precisely, they propose, that it should become part of the analysis (in the spirit of the 'all-is-data mantra' from *Discovery*). The emergent theoretical conceptualization from the analysis shall be related to the existing knowledge – but in order to do so the theory must emerge from the data before literature is used to relate it in the

theoretical framework of the existing knowledge. Yet, it is important to mention, that this refers to *specific* knowledge regarding the substantive area of inquiry. It does not refer to reviewing literature of global or extant knowledge of the substantive area overall, which still would be needed to be conducted in advance of the research, in order to form and conceptualize the substantive area of inquiry of the overall research as such. The reasoning for the late integration of literature within the substantive area of research is that the researcher should not blind her analytical mind with preconception and existing ideas. This shall support the idea of original GT, that the discovery of a theory, grounded in the data, will *emerge* when the researchers conceptualize and abstract from categories, inter-relations and properties. However, Glaser (1978); Glaser and Strauss (1967) made clear from the origins of GT, that they could not imagine a researcher approaching any research *tabula rasa*. Meaning, the researcher might have experiential knowledge or also knowledge from researching before and reading literature in a field in general. Yet, this knowledge is not supposed to be ignored, moreover both emphasize also its value in doing GT, but it should be handled carefully in order not to force preconceptions and *a priori* knowledge in general on the data. Rather, the researcher shall suspend the integration of such knowledge to after the data collection and analysis in order to let the ideas emerge from the data. This is fundamental to generate theory, emerged from and grounded in data. Concluding, the knowledge of the researcher will become a part of the result, but as *posteriori* knowledge and will enhance the building of a *theoretical framework*, which relates the new theory within the body of existing theories in the field.

M. Kenny and Fourie (2015) propose adding to the literature review of pre-existing knowledge and theory within the substantive area of inquiry in CGT as a fourth pillar of constant comparison. This will suit the original objective of not entering the research and analysis with pre-conceived conceptions. Also, the relationships within the body of knowledge of the substantive area of inquiry will lead to a coherent theoretical framework by triangulation (Glaser, 1998). Thus, constant comparison in CGT becomes a method for integrating data generated by theoretical sampling, which also covers the existent knowledge and ideas within the substantive area of inquiry. The initial literature review then is used only to define the substantive area of research and the researcher might build a

conceptual framework, but limited to situating the area of research as the substantive area of inquiry, within the global body of literature and knowledge in a e.g. scientific or practical discipline (Glaser & Holton, 2004); Holton (2007); Holton and Walsh (2017). The integrative process of coding and the role and place of the literature review in CGT is summarized in Figure 17.

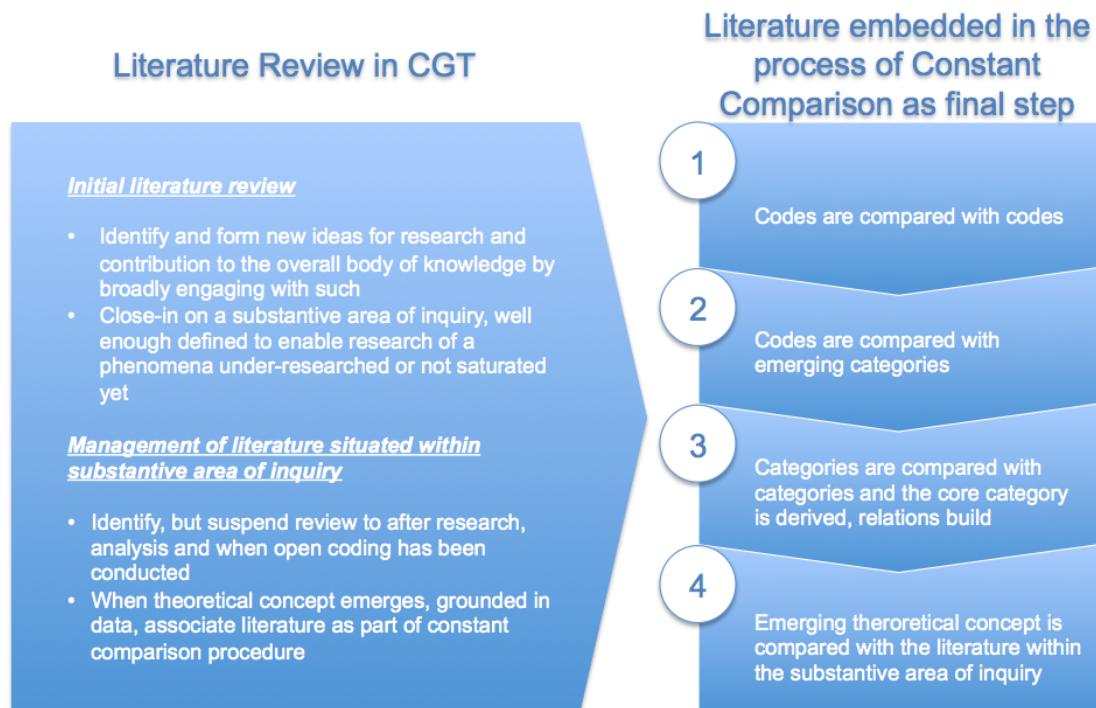


Figure 17 - Role of the literature in CGT

### The role of the literature in SGT

Strauss and Corbin (1990, 1998) embraced a less rigid, more influential role of the literature in SGT. Although they warned about excessive review and use of *a priori* knowledge in GT procedure, they promoted the integration of existing knowledge from literature throughout the overall process. Both argued, that a less rigid, more inclusive approach will provide several beneficiary elements to the SGT process: (1) To identify clear gaps in the (academic) literature where a contribution of a substantive or formal theory would fit; (2) in-line with the 'all-is-data' mantra it would be just another source of data; (3) it would help to refine and create questions in order to enhance the theoretical sampling process; (4) it would enable the theory to be additionally validated and thus the integration into an overall theoretical framework would be more sophisticated. Also, they explicitly refer to knowledge as experiential knowledge by the researcher and

knowledge from the global universes of academia and practice. All this knowledge shall enhance the process of doing GT, as well as the product, i.e. the grounded theory in context. Thus, they promoted the use of literature throughout the whole process of engaging with, doing and delivering a grounded theory. Yet, they mentioned the necessity of a reflective, grounded theorist, who would not be able to work and research with an *empty head*, but should reflect on knowledge and data generation with an *open mind* (Corbin & Strauss, 2015). The integrative process of coding and the role and place of the literature review in SGT is summarized in Figure 18.

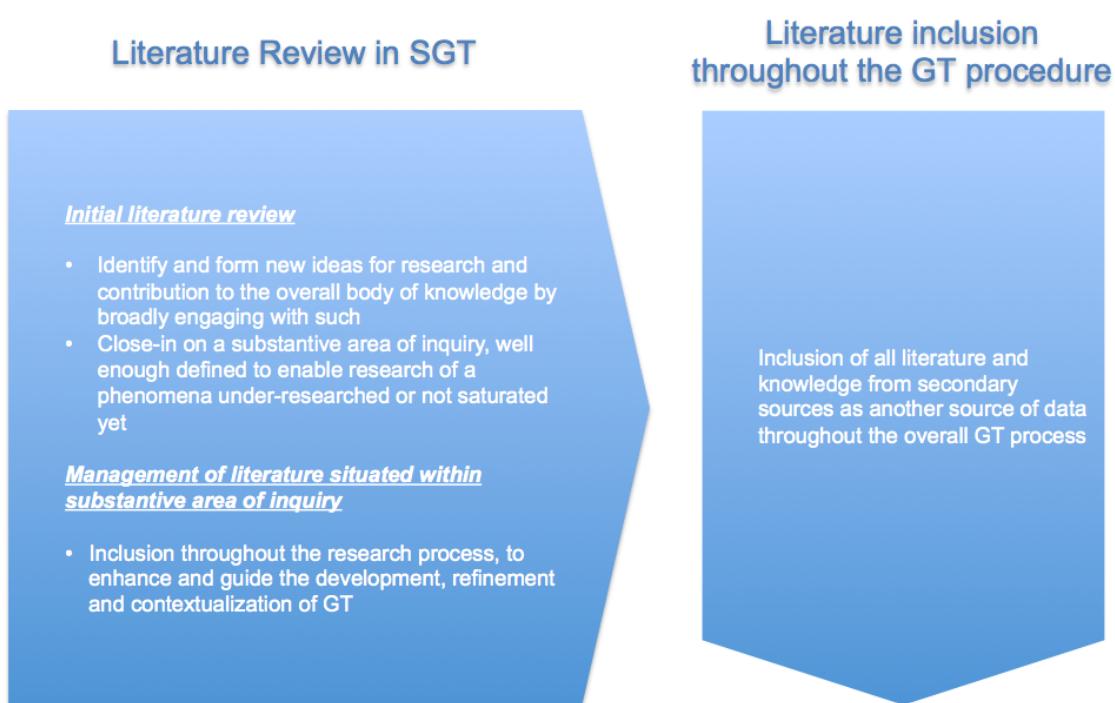


Figure 18 - Role of the literature in SGT

#### The role of the literature in CoGT

Charmaz (2008, 2014) adapted a coherent view to Strauss and Corbin. She also embraced the inclusion of literature and experiential knowledge of the researcher throughout the overall GT procedure, yet noteworthy also somewhat inclined towards Glaser's warning of a literature review might take out creativity of the process and thus data could be forced on the process from literature, rather than enable the construction of a new theory, grounded in data. Therefore, she advises the researcher to delay the writing up and intensive literature research and review

post the analysis. Thus, she asserts, the researcher's credibility and authority are supported while the researcher will not pollute the creative process with too much *a priori* knowledge. The integrative process of coding and the role and place of the literature review in CoGT is summarized in Figure 19.

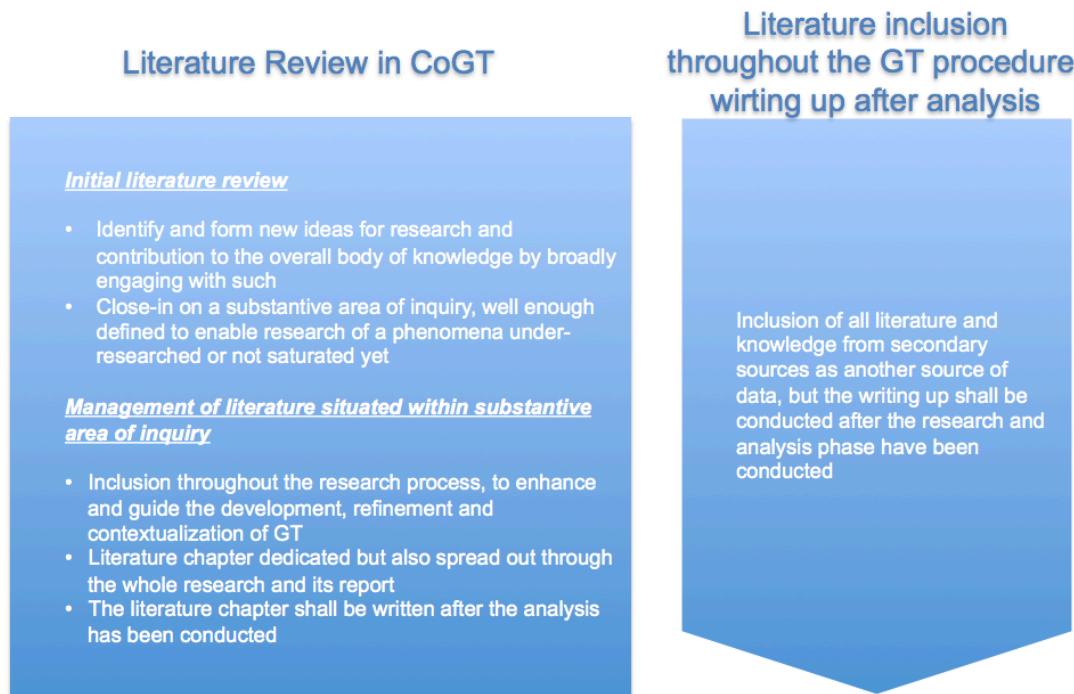


Figure 19 - Role of the literature in CoGT

#### Critical conclusions on the role of the literature in CGT, SGT and CoGT

The inclusion of literature, the acceptance of experiential knowledge and the importance of embedding the produced GT within a theoretical framework of the global, related landscape seems undoubted in GT procedures and versions. However, the divergence towards the role, significance and inclusion of this knowledge in the process of conducting GT research is ambiguous and debated broadly. Further, the debate sometimes can seem a bit too abstract, as most researchers do not operate in unconditioned environments. In contrary, institutions and organizations often demand and require certain procedural steps (such as e.g. doctoral proposals, research grant proposals etc.), which do not suit necessarily with the procedures of GT as described before. However, one should highlight and emphasize the original idea of Discovery, to provide an inductive, theory generating method, with the objective to apply academic and scholarly rigour in qualitative (and potentially also quantitative and mixed methods)

research. Thus, it is important to reflect on one's own epistemological worldview, make use of the original GT's proposed flexibility, while staying coherent and explicit when developing one's overall theoretical research paradigm. The literature itself – as well as the experiential knowledge of the researcher as such – cannot per se harm GT's idea of induction and theory development, as long as assumptions are explicit, and the researcher is reflective and reminds herself of staying open in the quest for new insight in the data to be discovered.

#### 4.2.1.2.3 *Theoretical perspectives and philosophical stances in CGT, SGT and CoGT*

Original GT has been seen as an ontological and epistemological unladen methodology by its authors, which has led to interpretation and ambiguity in framing GT research paradigms, with different theoretical assumptions and moreover to a lot of confusion towards the GT procedure itself (Moore, 2009). Researchers have borrowed and picked from all versions of GT and the flexibility of the method and original GT's ambiguity in terms of theoretical perspectives, philosophical assumptions and paradigmatic underpinnings lead to a diverse GT landscape, which sometimes does not apply the core elements of any GT version discussed here, nor propose an incremental, paradigmatic coherent version (M. Kenny & Fourie, 2014, 2015).

Urquhart (2002) asserts GT's application as a research method, or set of research methods, can suit different philosophical perspectives and be therefore integrated in different research paradigms, but the process of abstraction of knowledge and concepts from data is generally somewhat interpretative and therefore "subjective" (p. 272). She adds that theoretical sampling, as any sampling strategy, would also be mainly steered by the researcher and thus, the selection of where to sample from and source data also might be subjective already. Glaser (2002) did not argue against this, as he emphasized that all researchers are humans and they might have bias and tendency towards certain elements and aspects of the data during the analysis. The argument brought forward by him was, that by making use of theoretical sampling, applying with rigour the coding process, delaying the inclusion of literature and experiential knowledge of the substantive area of inquiry to the phase of building the

theoretical framework, the potential bias of the researcher will be corrected by the process and “make the data objective” (Glaser, 2002, para. 24). More precisely, Glaser (1998) asserted that by the rigorous application and making use of all methods of GT, researchers’ perspectives are not left out of the research, rather they will be revealed and accounted for. This is also true for the researcher’s potential experiential, subjective knowledge; Glaser suggests, that the researcher ‘interviews oneself’ so any of her knowledge becomes just another data piece, to be analyzed and worked through the procedure of constant comparison. Thus, he argues, “... researcher bias (...) is just another variable and a social product. If the researcher is exerting bias, then this is part of the research, in which bias is a vital variable to weave into the constant comparative analysis” (Glaser, 2002, para. 12). Breckenridge et al. (2012) propose to apply the method of memo writing to conquer bias and weave it into the overall research procedure. Breckenridge herself applied GT for her PhD study and found it helpful to on-going reflect with the help of writing memos, especially “... exploring her own perceptions, experiences and existing knowledge” (p 66). Those memos, in GT anyway a crucial and constitutive procedure during constant comparison, can, therefore, integrate the researcher’s knowledge into the theoretical conceptualization, in line with Glaser’s suggestion, just as one further data point - out of many. Breckenridge et al. (2012) assert further that CGT does incorporate the researchers perspective (as CoGT does), but in order to generate *any* abstraction in theoretical development, a certain degree of objectivity should be achieved by making use of the researchers’ knowledge as a data point out of many, in contrast to the co-construction of theory, where the voice of the researcher might become too dominant, as in CoGT.

It is this latent inclination towards objectivity of the data and the resulting theory, which he was significantly critiqued for by Charmaz (2000). She protested, that CGT is directly related with the paradigm of traditional positivism, as, “... an objective, external reality, a neutral observer who discovers data, (...) and objectivist rendering of the data (...)", are implicitly applied (Charmaz, 2000, p. 512). Therefore, some author’s rejected CGT in favour of CoGT. CGT could be seen as a methodology, with an inconsistent and incoherent theoretical paradigm. On the one hand, it employs an interpretivist epistemology, on the

other hand a positivistic ontology. To the contrary, CoGT would be settled coherently in an overall coherent constructivist research paradigm and therefore produce a coherent (constructivist grounded) theory as result (Bryant, 2002; Charmaz, 2000, 2008, 2014; Charmaz et al., 2018; M. Jones & Alony, 2011; Urquhart, 2002). Noteworthily, also Strauss acknowledged the ontological notion of positivism in *Discovery*, as Glaser and Strauss suggested with original GT, that the theory is “out there” and can be discovered as it emerges from the data (Strauss & Corbin, 1994, p. 279). Glaser (1978, 1998, 2002, 2003, 2010, 2016) insists that original GT is “... divorced from philosophical assumptions” (M. Kenny & Fourie, 2015, p. 1281). However, the further development, of GT by Glaser (and later Holton) here referred to as CGT, could be seen as a post-positivistic paradigmatic stance, with a critical realist ontological perspective (McCann & Clark, 2003; Urquhart, 2013).

Overall, GT aims to conceptualize and subtract from the data in order to build multivariate, hypothesized theories (Glaser & Strauss, 1965b, 1967). It is in contrast to other qualitative methods not about (precise) description of data. Rather the theory should become disjunctive from places, people and contexts, while the researcher still should consider the context and relations when interpreting and reading the data in order to let categories and concepts emerge, with relation to the substantive area of inquiry:

“It is not the descriptive detail or the way in which data are constructed that concerns the grounded theorist; rather (...) [the] abstract concepts that lie within the data. (...) The skill of the grounded theorist is to abstract concepts by leaving the detail of the data behind, lifting the concepts above the data and integrating them into a theory that explains the latent social pattern underlying the behaviour in a substantive area.” (Holton & Walsh, 2017, p. 11)

Holton and Walsh (2017), I. Bryman and Bell (2011) as well as Urquhart (2013) emphasize that the ability of the researcher to read the data and the context of its origination, to reflect upon and interpret and abstract in order to let emerge (or create or construct) new ideas from it, are vital to being able as a researcher in conceptualizing theory, grounded in data. However, they also make clear, that

the philosophical perspective of the researcher certainly plays a significant role in *how* GT is conducted and applied. Yet, they emphasize that GT is per se thought to be a clear method, which allows different ontological and epistemological stances to develop within the researcher's overall, individual methodological assumptions and therefore fits different research paradigms.

Despite GT's wide acceptance and application and its various forms in qualitative research today, more and more grounded theorists tend to define and apply GT as an inclusive, general research method (versus the procedural oriented Straussarian idea of GT as a set of single methods). Thus, many adopt Glaser's and Strauss's original GT core – the ideas and conceptual designs of *Discovery*, which Glaser (and others) defended as integrative method versus Corbin's idea of a set of methods for qualitative research with procedural rigour (Holton, 2008).

Much research and those studies labelled GT do not make use of its ontological and epistemological flexibility. Rather, they are often a derived version, starting from the Straussarian view of GT as a set of methods, not as a flexible integrative method – or a totally amended and remodelled version of GT with the objective of the meeting, the sometimes strict, guidelines of (academic) institutions and fulfil pre-set requirements of pre-described qualitative research frameworks and designs. For many (novice) grounded theorists, this leads to confusion and complexity in designing a GT study: Often core elements, which shall ensure the emergence (in CGT, or creation in SGT, or constructing in CoGT) of ideas from the data via abstraction are left out or misused. Developing (core) categories and conceptualizing through constant comparison and making use of theoretical sampling, at least in the substantive area of inquiry, are not (entirely) applied. Sometimes GT-labelled research proves only to apply selected elements and therefore might lose the strengths of GT's core ideas and methodological rigour. (Urquhart, 2013; Urquhart et al., 2010). With this, researchers might sacrifice on the ability to abstract and reach a (substantive or even formal) theoretical conceptualization of new ideas, while missing out on grounding the theory in the data as they fail to ensure openness to 'let the data speak to them', by reflecting upon and to interpret new ideas, insights and perspectives on 'the known' (Glaser, 2003; Glaser & Holton, 2004; Holton & Walsh, 2017).

GT is per se an ontological and epistemological unladen integrative method. It aims to generate new theory through an interpretive perspective of the researcher, *grounded* in the data. This data can be achieved in general with qualitative, quantitative or mixed methods approaches - as per se GT is as a method flexible enough to include different philosophical stances and be included in divergent overall research paradigms (Holton & Walsh, 2017).

One can conclude that original GT was intended to produce new ideas and theories, grounded in data, with an inductive approach. To understand and consequently apply GT in full, the grounded theorist must make her theoretical and philosophical stance visible, being explicit about ontological and epistemological assumptions. Only then, GT as a method, or set of methods, can be applied with academic rigour and produce new theory, accepted by the research community. It is the ambiguity of theoretical assumptions in significant texts of GT, which leads to confusion, misinterpretation and discussion. Nevertheless, it is utterly essential to recognize it as a method, which only becomes part of an overall coherent research paradigm when philosophical assumptions and theoretical perspectives are made explicit and clear. Much of the confusion and misinterpretation of GT's application can be traced back to not understanding, or misinterpreting, the relation of theoretical perspective and application of GT as a method. Comparing CGT, SGT and CoGT, it becomes clear, that the arguments exchanged about its methodological application and the methods therefore implied could be easier to understand for the aspiring (novice) grounded theorist, when we would perceive GT as an integrative method, with today three major routes in divergent research paradigms. Table 4 summarizes the core tenets and elements of the significant versions of GT.

Timeline	GT version	Main contributors	Objective	Theoretical paradigms
1960s	Original GT	Glaser & Strauss	To <b>discover</b> an emergent theory, grounded in data, with qualitative methods.	No claims and no clear theoretical distinction, ambiguity in ontological and epistemological claims.
1970s-today	Classic GT	Glaser, Holton	To <b>discover</b> an emergent theory, grounded in data, with qualitative, quantitative or mixed methods.	Claims to be theoretical and philosophical unladen, tendencies towards post-positivistic, later by Holton towards critical realist paradigm
1970s-today	Straussian GT	Strauss & Corbin	To <b>create</b> new theory, grounded in data, with qualitative methods. With the all is data-mantra from original GT one could also integrate quantitative and mixed methods approaches to GT	Post-positivistic paradigm, later by Corbin ontologically situated more towards subjectivism and epistemological constructivism
1990s - today	Constructivist GT	Charmaz	To <b>construct</b> new theory, grounded in data. The theory is a result of a participative qualitative research method, as the theory will be co-constructed by researcher and participants.	Constructivist paradigm, epistemological interpretivist and constructivist, with subjectivist ontology

Table 4 - Versions of GT in context

Especially, the dispute between Constructivist Grounded Theorists and Classic Grounded Theorists can be clearly related with their fundamental differing ontological perspectives (realism versus constructivism), while the bridge to discussion could be based on a more convergent seeming epistemological perspective (subjectivism, relativism, interpretivism). Consequently, when grounded theorists make their theoretical assumptions explicit, GT as overall paradigmatic influenced methodology can be discussed in a constructive manner, rather than in the dogmatic way it seems to the novice grounded theorist the discourse is sometimes conducted. Also, the relevant distinction between ontological and epistemological discussions in sciences is highlighted by many authors, especially from the philosophical perspective of critical realists (e.g. Bashkar, 2008; Bashkar & Lawson, 1998; Holton & Walsh, 2017). With regards to GT, some argue that the overall philosophical discussion should not be imperative and dominant, as GT is a method designed to deliver applicable, new conceptual insights (Holton, 2007). Thus, the theoretical perspective should not be the key issue; rather it is the usefulness of the result (the theory). This pragmatic approach would lead to the "... ultimate criterion for good research,

[which] is that it makes a difference" (Bryant, 2009, para. 102). Yet, in agreement with Breckenridge et al. (2012), Maxwell (2012) asserts that theoretical assumptions should be reflected and made *explicit*. This will then enhance the credibility and authority of the researcher - and probably more important - the research result, i.e. the (grounded) theory.

#### 4.2.2 Conclusions regarding GT's routes and versioning

Across all three major versions of GT (CGT, SGT, CoGT), the following core elements are identified as constitutive to build a coherent, procedural-oriented GT research paradigm: inductive approach with the aim of generating new theory, grounded in data; constant comparison method; theoretical sampling strategy; memo writing as a tool for researcher reflection and support for theoretical abstraction; choosing an appropriate coding strategy; use of literature and conducting a literature review in-line with epistemological assumptions; ontological and epistemological clarity, fitting the researcher's overall theoretical position and research aim; distinguishing between substantive and formal theory as end product, depending on the researcher's specific aim and research objective (M. Kenny & Fourie, 2014, 2015; Urquhart, 2002, 2013).

### 4.3 Developing a GT research paradigm to fit philosophy and research aim

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The debate of what theory is, the philosophical stance und underpinning of the research and moreover the researcher's assumptions can lead to significant other outcomes, perceptions and perspectives towards the result when conducting research in general; certainly true for applying GT research (Birks & Mills, 2012; Urquhart, 2013). GT can be applied as a method within different research paradigms, which might differ in their ontological and also separately epistemological underpinnings. While the researcher might apply the same set of methods, this does not answer epistemological and ontological questions and might, therefore, lead to different expectations and perspectives regarding the generated grounded theory (Glaser & Holton, 2004; Holton, 2008; Holton & Walsh, 2017). So, clarity of theoretical perspectives is mutually and utterly important in designing one's research paradigm with GT method.

The philosophical assumptions and worldviews have been debated as the ‘great divide’ across science disciplines and research areas. This discussion has been driven also the actual development of GT as a theoretical differing methodology and majorly caused the ‘small divide’, as discussed in the comparison of CGT, SGT and CoGT before. However, this discussion has developed at some points ‘philosophical caricatures’ at each end of the philosophical continuum, which sometimes seem to be seen as ‘rather or’ choices a researcher has to make (A. Bryman, 1998; Hall, 2012; Walsh et al., 2015). Especially the argument between Glaser and Charmaz seems to the novice grounded theorist sometimes emotionally-laden, rather than the (professional) exchange of arguments, accepting divergent philosophical underpinnings and theoretical paradigms (e.g. Charmaz, 2000; Glaser, 2002)

There is consent, however, that philosophical assumptions reside on a continuum, with different worldviews not being clearly divided each from the other, but sometimes interrelated and the continuum itself should be seen as flow through different worldviews (I. Bryman & Bell, 2011). Yet, the ‘great divide’ has probably led to a kind of philosophical ‘extremism’ (and sometimes it seems to the novice researcher even as a sort ‘paradigm-fanaticism’) at both sides reaching the outside ends of the continuum. This can mislead researchers sometimes feeling left to choose between those two extremes (i.e. post-positivistic original GT and SGT, or post-modernist/constructivist CoGT). Rather the grounded theorist should locate her worldview ‘flowing on the continuum’ with fundamental ontological and epistemological foundations and only then derive a GT methodology, which stays true to its constitutive, integrative elements, but is also in line with the researcher’s individual, theoretical assumptions (I. Bryman & Bell, 2011; Ormston et al., 2013; Ritchie & Ormston, 2013; Saunders et al., 2012; Urquhart, 2013). The continuums extremes are shown in Figure 20, including the major stances residing between the extremist positions in scientific research philosophy.

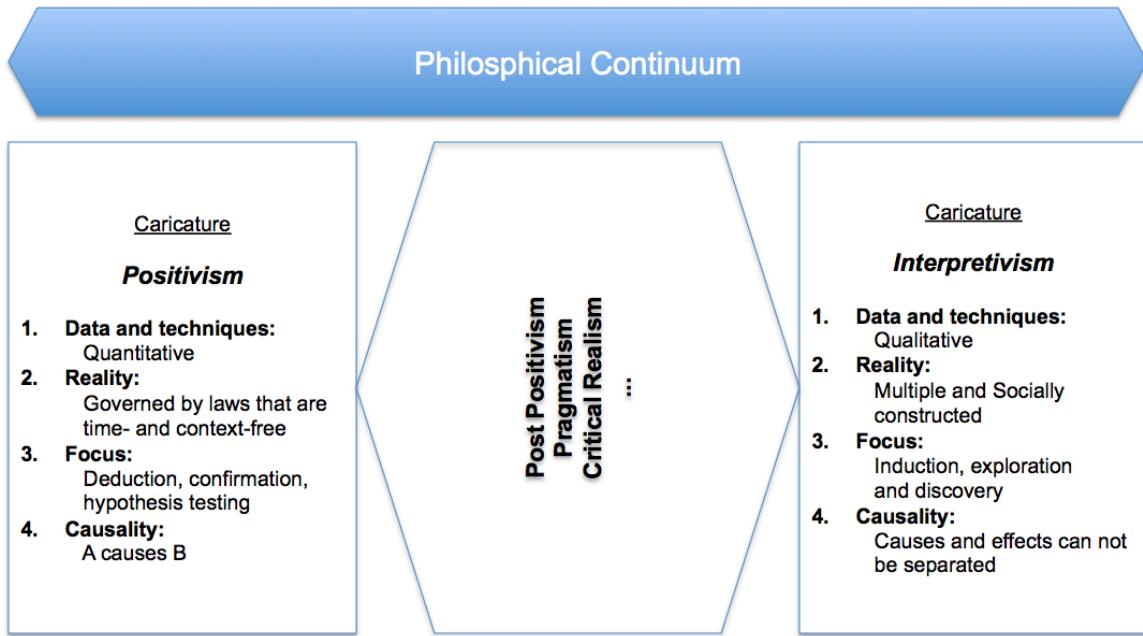


Figure 20 - The Philosophical Continuum and Caricatures; source: Adapted from Walsh et al. (2015)

The pure *positivism* paradigm, adopting a natural science model, with almost exclusive focus on quantitative methods and data and deductive reasoning has led to a certain validation-bias for verification of hypothesis, deductively chosen from pre-conceived knowledge – rather than to enhance the researcher's ability to generate and propose new conceptual ideas and theories as the contribution to scholarly work and community. The other side of the continuum propose the 'caricature' with a pure *interpretivism* paradigmatic worldview, focusing on inductive reasoning and inclusion of context, settings and understanding by interpreting, subjectively, content (Holton & Walsh, 2017; Lee & Hubona, 2009; Walsh et al., 2015).

Positivistic informed researchers and research is defined by elements such as a clear distanced relation of researcher and research object, in order to enable objectivity and uncover validated laws of time- and context-free applicability and validation of hypothesis, mostly done in a deductive methodological approach. Thus, the rigorous process of deduction, confirmation, hypothesis testing and validation or falsification by quantitative analysis is broadly applied. Causality is direct and explicit. Causality is seen overall as two-dimensional and consequently

can be formulated as ‘A causes B’ (R. Johnson & Onwuegbuzie, 2004; Walsh et al., 2015).

Interpretivist-informed research, on the other hand, resides on the philosophical assumptions that realities are multiple and socially constructed, so that researcher and the researched object cannot be distanced and separated and therefore research by definition is subjective and value-bond. The process of induction, exploration, discovery through qualitative analysis ‘demands’ the researcher to interfere with the data in order to abstract and conceptualize (via interpretation of the data and building concepts grounded in the data, not on the data). Causality is consequently seen in context and therefore time- and context-bound. Cause and effects cannot be separated or sometimes even put in timely order, as ‘A could cause B, but B could cause C and C influence A and B (etc.)’. However, there seems to be more and more consent and agreement between the ‘great divide’ and the ‘small divide’, that some major and core issues regarding theory-building and generation are of general application, regardless of one’s philosophical stance and relevant to deriving ones overall research paradigm with regards to GT (Holton & Walsh, 2017; R. Johnson & Onwuegbuzie, 2004):

“Reasoning is relative and varies among people; observation is an approximation of reality; a single set of empirical data can yield different befitting theories; hypothesis are linked to assumptions; probabilistic evidence is not final proof, and researchers’ beliefs are embedded in the assumptions of their respective communities.”  
(Holton & Walsh, 2017, p. 19)

Holton and Walsh (2017) assert, that the ‘philosophical caricatures’ developed, because scholars’ and researchers’ philosophical assumptions, “... have been mapped mainly as an opposition between nomothetic perspectives and more idiographic perspectives” (p. 19). Thus, the assignment of quantitative methods with a nomothetic approach and vice versa the assignment of qualitative methods with an idiographic approach can mislead the (novice) researcher and ignore that there is another, second dimension to a coherent GT research paradigm and the researcher’s specific research aim: Confirmation versus exploration. While

confirmation is theory-driven, deductive approach, explorative research engages with the data in order to *inductively generate conceptual, theoretical ideas – grounded in data*. This dimension, however, is as a second dimension important to the researcher and can be seen as a complement to the first dimension, based on one's philosophical stance and ideates between the nomothetic and idiographic perspective, as shown in Figure 21 (Holton & Walsh, 2017; Walsh et al., 2015).

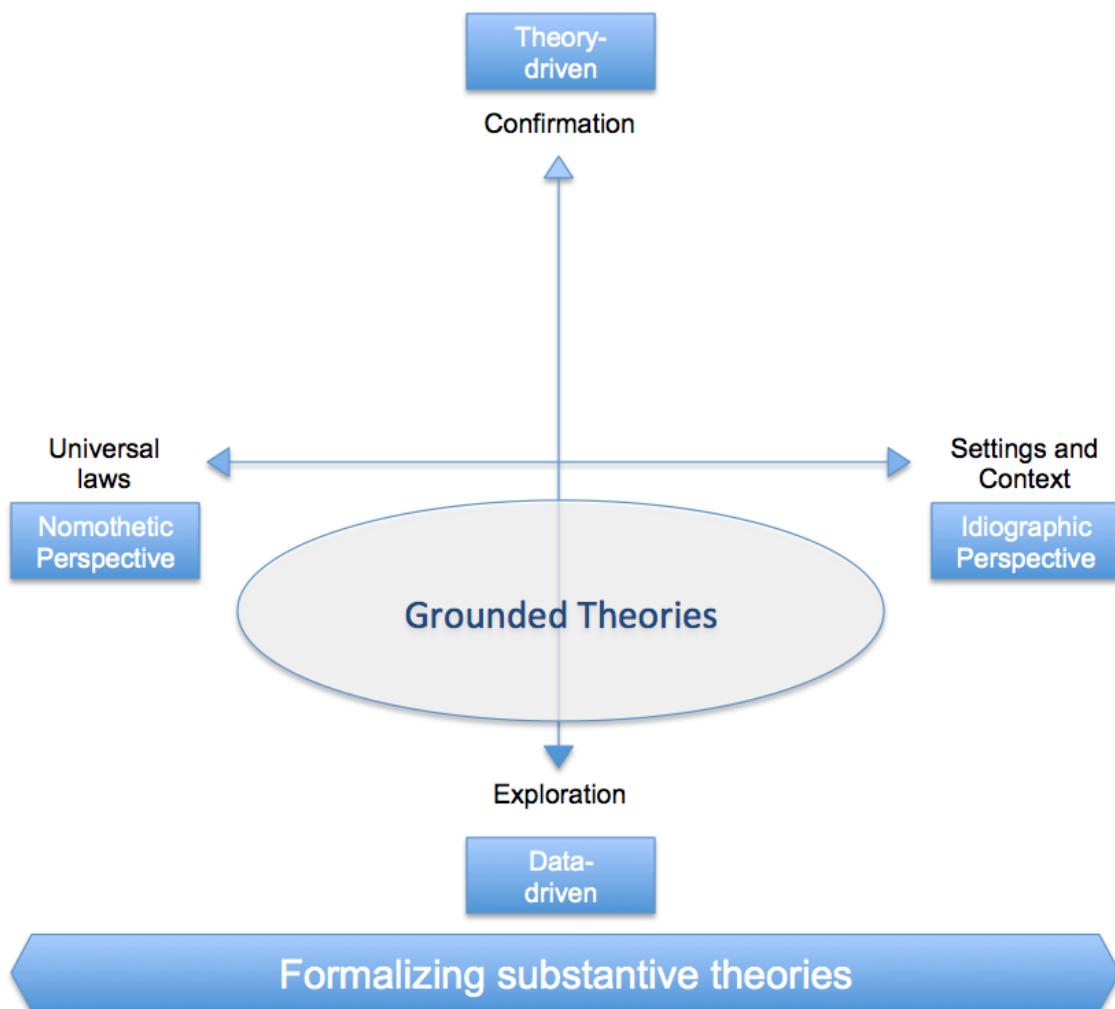


Figure 21 - The Land of Theories; source: Adapted from Walsh et al. (2015)

GT as a method, unladen with researchers' or scholars' philosophical assumptions, can so be applied in different research paradigms. Yet, always as a methodology which *induces conceptual theoretical ideas from exploration of data*. Its perspective, nomothetic or idiographic, follows the philosophical stance taken by the researcher, but is also bound to the kind of research aim and lastly

also to the grade and degree of intended formalization of the (grounded) theory itself.

#### 4.3.1 A critical realist approach to CGT

CGT is an exploratory and explanatory methodology, which suits the research aim of exploring and explaining phenomena observed in the researched (research object) brand management practice. The data of the potentially emerging theory is grounded in - as it's generated from - brand management practice.

For a novice researcher, the first encounter with the ‘small divide’ is the different perspective on how, if, and when, in the process to conduct the literature. Although there is little disagreement that a GT, like any theory, should be located within a broader perspective and context, the substantive area of inquiry of the research itself, little agreement in doing GT is found on how to do this from a procedural point of view (Birks & Mills, 2012; Creswell, 2013; Easterby-Smith et al., 2012; Urquhart, 2013). While *Discovery* emphasized the notion of the researcher approaching the research itself *tabula rasa*, i.e. with little to ideally none ‘mind and idea polluting thinking’, one should locate the research in the broader context and knowledge of science (Glaser & Strauss, 1967). The disagreement in the procedural organization of a literature review can be traced back to the different points of view between Glaser and Strauss (Glaser, 1978; Strauss, 1987). Glaser’s idea of GT as an inductive methodology rather than Strauss’s more descriptive procedural-oriented set of methods also led to different perspectives on the existing literature and its place in GT study. The common ground of both was the core idea of ‘emergence’, i.e. that ideas and new concepts should emerge from the data and must not be forced into the data (Glaser & Strauss, 1967). The Straussarian version of GT approach emphasized to include the researchers’ experience, knowledge and overall thinking with relation to the substantive area of the research in order to be able to frame the research (Corbin & Strauss, 2015; Holton & Walsh, 2017; Strauss, 1987). The Glaserian idea of complete openness to support the concept of ‘emergence’ did not neglect the existing body of the literature and knowledge or acceptance that the researcher might have particular experience and therefore *a-priori* knowledge

about the substantive area. But he made clear, he expects the researcher to stay open and being receptive to that might emerge as new and uncommon or unknown to him, and enable him therefore to see new ideas and concepts in the data (Glaser, 1978, 1998; Holton & Walsh, 2017).

As a critical realist, I lean towards the original ideas of GT and Classic Grounded Theory, which I apply as outlined above and described as personal, reflective research procedure in the following. Noteworthily, the clear distinction of epistemology and ontology within the philosophical stance of critical realism will allow me as a Classic Grounded Theorist to explore the phenomenon of the purpose-driven brand from practice, abstracting within a substantive area of research towards an explanatory model (aka the substantive grounded theory). Thus, my research aim can be achieved, and further research also will be enabled by this research project (e.g. formalizing the substantive theory).

#### 4.3.2 CGT applied: Research objectives, goals and measures

My overall research aim and therefore objective of this thesis is explorative; the construct of the purpose-driven brand has not been established in theory yet, and this is what this research project is set up to deliver a contribution to the overall body of marketing and brand management theory. The phenomena can be observed in practice and as I outline at the beginning, is highly, and disputable discussed amongst marketing and brand managers. My research objectives are split among different research purposes under the same research aim. Thus, I first reviewed the existing body of marketing, strategy and brand management theory in order to understand the state of the existing knowledge and describe the relationship between marketing, brand and corporate strategy at the qualitative, normative level (RQ 1). With this, I provide a new perspective by bridging corporate strategy and brand as well as marketing strategy theories across those three sub-disciplines of market-oriented management – with the relation to higher-order purpose and meaning. This review has been done with a descriptive purpose in mind, as the objective is to provide clarity and overview first. Based on these insights, I defined my substantive area of research. Then, I am exploring the observed phenomena in practice (RQ 2) by collecting, analysing and synthesizing data from practitioners which apply such a higher-order purpose

to their brand strategies (or claim to do so at least). Further, I provide explanatory, qualitative insights, by investigating the causative mechanisms of practitioners: The reasons for applying such strategies in brand and marketing strategy management (RQ 3). Finally, I integrate these findings into the existing body of extant theory in marketing, brand and strategy management and describe the connections and relations of the purpose-driven brand and corporate strategy.

A CGT's research project objective is to induce theoretical knowledge, by exploring and explaining phenomena. Thus, the researcher seeks to identify a core category, i.e. the central research object of research within the substantive area of research, quite early in the overall research process. This core category should be empirically grounded (in data) and will then lead the further research (realized by a theoretical sampling strategy) (Evans, 2013; Glaser, 1978; Walsh et al., 2015). However, it is important to distinguish between the core category, which while being central to the research concern, is not the main concern of the participants (research subjects). As shown in Figure 22 below, the core category actually has explanatory power on how the research subjects try to resolve or overcome a concern (Walsh, 2015). Thus, the relation between the core category and main concern can be defined as the causative mechanism in CGT (from a critical realist's research philosophical perspective) (Maxwell, 2012, 2013).

In order to understand what the core category might be in the research and to base further research on, five properties can be described and applied as measures. It is central to the main concern, it can be observed frequently and on-going in the data, its relevance is bound to its close ties and relations with other categories identified in relation to the main concern, it provides explanatory power (grab) to the main concern, and its essence and meaning are constant and do not vary among the data sets (Glaser, 1978; Glaser & Holton, 2004; Holton, 2007; Holton & Walsh, 2017).

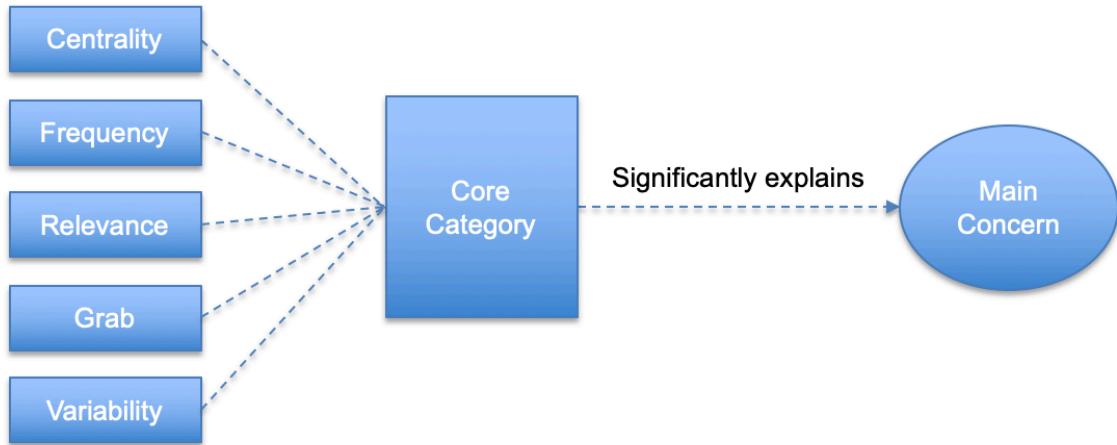


Figure 22 - Core Category, measures and main concern; source: Adapted from Holton and Walsh (2017)

Therefore, CGT provides the flexible and broad research methodology, yet qualified systematic research methodology to achieve my research aim in a transparent and comprehensible manner: To explore the phenomena of purpose-driven brands, by empirically exploring and explaining marketing, brand and strategy-managers' actions towards a theoretical model in a certain, substantive area of research.

As outlined in Figure 23, the overall research process is in-line with the before described procedure of CGT. Additionally, this chapter has provided in-depth information on how I operated the research and more precisely the process of data collection and qualification, analysis and procedural actions of navigating a (classic) grounded theory study.

First, I conducted a literature review on brand management and corporate as well as marketing strategy and the theoretical knowledge of extant theories, towards the definition of the substantive area of research to induce the new grounded theory into – or extend the existing theoretical constructs with my findings. Further, the research questions have been based on the initial literature review, in order to describe clear research objectives and the contribution expected of this study (Phase 1). The literature review of texts identified as dealing with the idea of the purpose-driven brand from practice has been suspended, until after the data collection and analysis (Phase 2) is finished. Only then, the specific texts will be implied for triangulation, as part of CGT's constant comparison method,

with the objective of further enhancing the grounded theory and then, at last, relate the emerging theory towards the broader context of extant theories in brand management and brand strategy, more specifically to the brand identity theory described in the initial literature review and foundation of the substantive area of research (3).

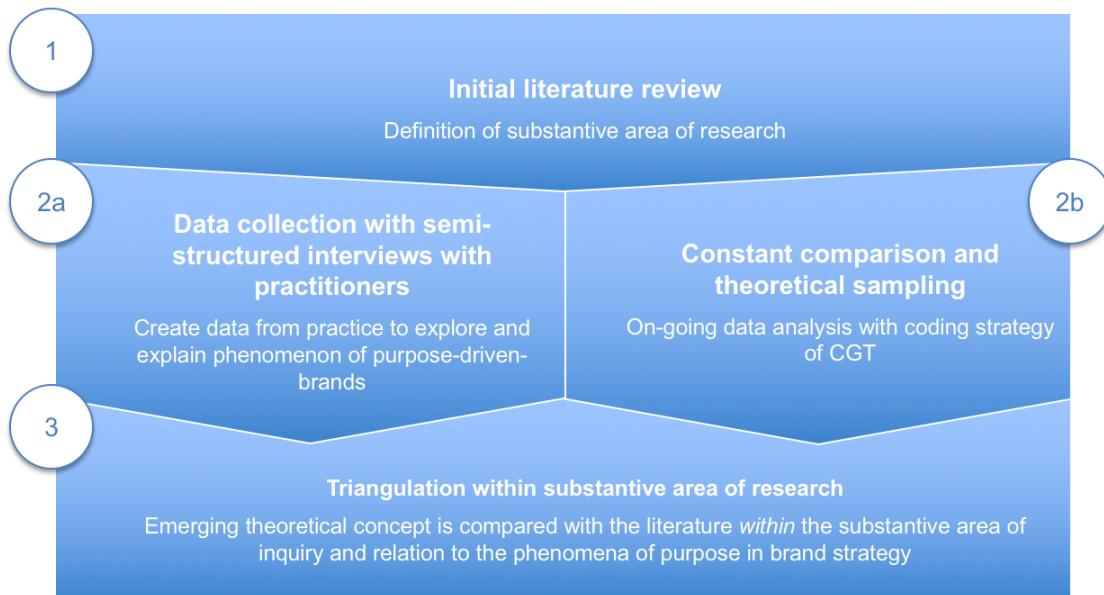


Figure 23 – CGT: application and procedural research design

Thus, the review of the essential literature on the development of brands and brand management, marketing and corporate strategy in relation to higher-order purpose and business, as the substantive area of research, has been conducted in chapter 2. The literature, from practitioners, which is specifically about purpose-driven brands, or at least what those practitioners claim to be such, will be reviewed integrative, once the theory has emerged, in chapter 6.

## **Chapter 5: Procedural research design: Operating towards theory induction**

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In this chapter, I provide a detailed account of my actual research operations, challenges and workings.

### **5.1 About data in CGT, collection and participants**

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The objective of CGT is to induce theoretical knowledge, based on empirically grounded data. Once the core category is identified, the main concern, which explains the actions of the participants (core category), the properties and dimensions of the core category can be specified. When applied and operated with research subjects, concerned with the phenomena in the substantive area of research in their frequent actions and thinking, the GT-process enables actionable and transparent contributions (Schön, 1984). Although CGT is open to the application of qualitative and quantitative data alike (Glaser, 1978; Holton & Walsh, 2017), this research project is based on the sourcing and analytical processing of qualitative data in order to explore and explain the phenomena of the purpose-driven brand. There are broad, general descriptions of qualitative and quantitative data, e.g. Creswell (2013) describes qualitative data as text and images, quantitative data as numbers. However, those general descriptions merely serve the researcher to identify the data to collect with regards to the research aim and objectives. Monette et al. (2011) provide a definition of *quantitative data*, being characterized as numerical in expression and therefore analytical processable, with statistical methods, aiming to enable the identification of patterns in information, often in breadth. They further define *qualitative data* as any kind of information, which provides interpretable data such as language and imagery, mostly expressed and transmitted by research subjects in words with the aim of describing a specific phenomenon, in-depth. Those words then are the qualitative data, when they can be analyzed and processed.

As my overall research aim is explorative, I am seeking to collect such qualitative data which provides a basis for an in-depth understanding of the phenomena, by providing further relational and explaining connections within the data with

regards to ensure the core category will explain the identified main concern of research subjects.

### 5.1.1 Primary and secondary data sources

Qualitative data can be collected by several data collection methods, which could be used integrated and are therefore not mutual exclusive per se. Important to note is that the GT mantra of *all is data* does limit itself to the requirement towards the data of being *grounded*, i.e. based on empirical research and insights (Glaser, 1978; Glaser & Strauss, 1967; Hernandez, 2010). So, the Grounded Theorist can use secondary data, if the data holds up to the limitation of being *grounded*. Yet, for this research, there hasn't been identified any study of empirically grounded data which could serve as base for secondary usage in terms of rich, qualitative data to be interpreted and interrelated. Only some literature from practitioners, who provide their perspective on the idea of the purpose-driven brand could be identified in the initial literature review and will be reviewed after the grounded theory has emerged, as it can be seen as another source of qualitative data per se. In (C)GT, the importance of not polluting the researchers' ideas and minimizing potential pre-conceptions is of high importance, as it ensures that the researcher's mind is open to the emergence of un-foreseen, new ideas and concepts in the data (Holton & Walsh, 2017; Walsh, 2015). This notion of emergence of concepts from the data is already a requirement to generate new data or work with open secondary data sets. Only then the researcher can immerse into the data and will be enabled to discover new concepts. Consequently, the methods central to the methodology of (C)GT, such as coding strategies, memoing and constant comparison and theoretical sampling will empower the researcher to stay open and conceptualize from the data (Evans, 2013; Glaser, 1978, 1992, 1998; Glaser & Strauss, 1967). Therefore, I first generate qualitative data as the core base for this research. Also, in-line with the overall idea of (C)GT, the researcher identifies an area of substantive research but cannot beforehand tell where the research may lead her, as the iterative process of theoretical sampling may open up new insights and the research might turn to other then expected (if any) insights to form theory and knowledge upon (Bryant, 2017; Holton, 2007; Morse, 2007). Thus, my research aim and objectives require to generate new data first, in an interpretable, qualitative nature.

Secondary data will be used to triangulate the new grounded theoretical construct with extant theory in the substantive area of research, afterwards. This secondary data is supported by the *all is data* mantra of GT; videos, interviews, textbooks and articles from practitioners. Literally all data related to the emerging concepts, if it can be qualified as being empirically grounded. With open access to interviews on media such as e.g. Youtube, speeches from TEDtalks and so on, it would probably be negligent to ignore such secondary data resources for triangulation and enhancement of the emerging theory (Clarke, 2005; Glaser, 2001; Holton & Walsh, 2017).

### 5.1.2 Data collection: Expert interviews

Amongst a broad variety of data collection methods, the most suitable for gaining in-depth, explorative and interpretable data is to engage in conversation with research subjects (Brancati, 2018; Holliday, 2016). To do so, the most applicable data collection methods cover interviews and focus groups, as they provide the ground for deeper conversations and data extraction from participants (Denzin & Lincoln, 2018; Lincoln, 1995; Maxwell, 2013; Ormston et al., 2013). However, when conducting a GT study, it is important to recognize that the researcher should be enabled of re-asking and exploring in-depth during a conversation, rather than generating a conversation amongst participants (e.g. in focus groups) in order to enable in-depth understanding and challenging of concepts and statements (Döring & Bortz, 2016). Staying open to new concepts is a key requirement during the data collection and analysis process in GT, so the researcher needs also to ensure that re-asking and joint argumentation of researcher and research subject is enabled during the conversation. Then, theoretical sampling and constant comparison can be applied already during the data collection, rather than limited to the post-collection analysis (Holliday, 2016; King et al., 2019; Schwandt, 2007).

As I am researching about the construction, the elements and the properties of the purpose-driven brand, I conducted interviews as a data collection method, with experts working and impacting the development and conceptualization of brands. Expert interviews with practitioners are a well-established data collection method in qualitative inquiry and provide several advantages for the researcher,

compared with e.g. consumer interviews (King et al., 2019; Schön, 1984). First, experts in my field are experienced marketing, brand and corporate strategy practitioners with experience, or at least fundamental understanding, in (marketing) research methods, such as interviewing and conducting market or consumer research. Further, the motivation for participating in the research is often the personal interest in the field and also the enhancement of the own profession in general, as well as the enhancement of the individual knowledge and abilities and capabilities in advancing the brands and business worked on (Bogner et al., 2014; de Chernatony & Riley, 1998; Duboff, 2007; Sackman, 1975). Schön (1984) asserts that practitioners should be reflective on their practice and individual contributions and actions specifically, in order to understand the effects and being able to learn and advance. Bryant (2017), Holton and Walsh (2017) enhance Schön's argumentation and integrate it in the argumentation of (expert) interviewing as a core data collection method for GT, as it provides a very suitable way of framing and re-framing questions during the actual interview for constant comparison and coding. In management and market research, interviews in general, but also a joint interest in learning from each other is often quite common and therefore accepted with practitioners and allows for applying the methods of GT (I. Bryman & Bell, 2011; Goulding, 2002; Levy, 2006; K. Locke, 2001; Yeo et al., 2014).

When applying interviews as method, the researcher chooses between structured, semi-structured and unstructured interviews (Döring & Bortz, 2016). The continuum between those three levels of pre-defined structure of the actual interview conversation compromises between flexibility and openness on one side, towards comparability and (potential) numerical, statistical analysis on the other side (Brancati, 2018). I am not seeking standardized, numerical or otherwise quantifiable results with an inductive, explorative approach - in line with my research aim and philosophical underpinnings of critical realism. Neither am I looking for quantification or numerical interpretation for generalization with this study. Almost, in contrast, I am searching data for interpretation and abstraction towards conceptualization within the substantive area to formalize towards a substantive theory, which emerges grounded in the data, potentially by the uncovering of 'unasked' concepts and insights. Consequently, I decided against

structured interviewing. Further, when doing a GT study, the limitations of structured interviewing per se are limiting the researcher's ability to develop and amend the questioning and participant's involvement in the discussion during the actual data collection, which however is a core tenet of theoretical sampling and constant comparison in GT (Bryant, 2017). Also, in CGT specifically, it is advised that the researcher should start the conversation with participants vague and open, in order to not impose pre-conceived concepts into the discussion, but rather frame the substantive area and focus of the research area (Glaser & Holton, 2004; Holton & Walsh, 2017). Yet, I also decided against the application of completely unstructured interviews, because I still want to guide the conversation in terms of limiting the research to the substantive area of research, i.e. brand identity and higher-order purpose, and also because it will allow to integrate insights and advances of the constant comparison method and memoing during the data collection method. Unstructured interviews would undermine the idea of limitation towards the substantive area overall. If this would be applied, the theoretical sampling then might lead towards very different substantive areas. This could be in general an applicable method for GT per se, however, this study requires focus on the substantive area. More important so, however, is the integration and amendment of the questioning itself during the data collection process, as the idea is to build from each other and abstract and saturate from different perspectives to identify the core category and main concern. Further, semi-structured interviews provide guidance to the interviewer itself, but still enable the freedom of adapting wording, questions, re-questioning and in-depth elaboration and probing of responses during the interview (Bogner et al., 2014; Brancati, 2018; King et al., 2019).

Additionally, as outlined earlier, I wanted to minimize and limit potential directives and initial bias in the cognitive process of interpretation and constant comparison during my data analysis. Therefore, I have started the data collection process by asking myself the questions from an initial interview guide in order to document my personal knowledge and being able to check for potential bias, but also to use my personal experience as a (structured) source of data later in the analysis phase. This procedure allows to enhance the researcher's reflective self-

awareness of potential preconceptions (Birks & Mills, 2012; Gibson & Hartman, 2014; Glaser & Holton, 2004; Holton, 2007; Holton & Walsh, 2017).

Thus, I derived the initial interview guide from the research questions, based within the substantive area of research defined by the initial literature review; brand identity with relation to higher-order purpose. Important to note, the initial interview guide did only serve the first interview of myself and the two first interviews with experts. It was constantly adapted for the following interviews, integrating the insights gained during interviews, memos and reflection as well as data interpretation during memoing and open coding. So, the interview guide served as a good starting point for discussion but was amended before, during and after each interview. Questions have been added, changed, re-framed and so on, in order to serve as a reminding, semi-structured base. However, the interviews were enabled to certainly go beyond and in different directions, as suggested by the guideline as such. This is an essential requirement in the theoretical sampling method and allows, on the one hand, to support the researcher during the discussion to provide impulses from previous interviews and probe for constant comparison of data during the interview. On the other hand, it allowed flexibility and openness to elaborate in-depth on emerging insights and concepts, to allow for freedom of answering with different backgrounds and perspectives and overall to conduct a conversation within the substantive area.

Consequently, I have chosen to collect qualitative data with semi-structured expert interviews with practitioners (more on the qualification of the single participants below).

#### 5.1.3 *Participant qualification, sampling strategy and gaining access*

In order to maximize the level of theoretical exploration within my substantive area of research and explanation of the substantive grounded theory, I sampled not only from one organization in-depth (e.g. several marketing or brand managers from one single corporation or organization etc.) but decided to search for research subjects working in different environments, organizations and businesses. With these multiple sources, across organizations, countries and markets, personal backgrounds, education and training of participants, company

cultures etc., I enabled an increased level towards abstraction to enable conceptualization (Bogner et al., 2014; Trinczek, 2009). This is an important aspect in building a grounded theory, as the theory must move beyond description to be qualified as such and reach a conceptualized, abstracted level of theoretical knowledge (Glaser, 1992, 2001; Holton & Walsh, 2017). Strengthened by the method of constant comparison, CGT will then allow for conceptualization, within the substantive area of research, towards formalization of theory (Ravitch & Riggan, 2017; Van Bruggen et al., 2002). In Figure 24, I provide an overview of the 42 participants and the sectors they work in. Although I initially focused on B2C and mostly CPG (syn. FMCG) brands, I extended the research towards more service-oriented organizations, such as retail and restaurant businesses. Although my focus was on B2C brands initially, I finally included B2B brands as well. The motivation behind this is, that I quickly found out during the first interviews, that the motivational factors of the research subjects were the same, no matter if B2C or B2B. Additionally, as I argue in the results and the discussion later on, the differentiation between B2B and B2C seems to be coloured in more shades than black and white; i.e. most of the businesses participating in the research could not be clearly separated into B2B and B2C, but rather all of the interviewed participants worked on businesses with B2B as well as B2C components in their value chain and argued themselves that especially regarding their brand identity and brand strategy, this differentiation would seem (at least somewhat) obsolete. Although, when interviewing professionals from e.g. consulting companies and associations, their own client relations are B2B, but the brands they work on and they are impacting are more often B2C brands.

To be selected as a participant, the core variable in the recruiting-search was the ability to impact the brand strategy by their daily work and further impact personally strategic decision making of the organization and marketing and brand strategies, but also moreover that the participants claimed themselves to work on higher-order purpose brands (e.g. TOMS and *share*). The wording as such could vary, e.g. some claimed in their social media network profiles to engage in purpose-driven-branding, some claimed the overall business was purpose-driven – but made visible through their communication and as such qualifies to be part

of the brand identity management (e.g. *Chipotle* and *Danone*). Additionally, most of the brands under investigation were found to be referred to as being purpose-driven, by secondary sources such as magazines or blog articles or the companies' communication directly (e.g. *Tony's Chocolonely*, and *Unilever*). Most of them could be identified by several of the above found through web searches (e.g. *Airbnb*, *TOMS* and *Patagonia*) Further, when I contacted the potential participants, I sent an informational letter<sup>5</sup> as invitation to participate, which made clear what the substantive area is about, and the research aim is. Thus, this served as an additional criterion, as practitioners, especially when being part of organizations' leadership, decide for or against participation carefully. This is driven by two major aspect when conducting expert interviews with practitioners; first, the contribution and commitment of separating time from their daily schedules to interview is a significant decision for them, as they are busy driving their businesses already. Secondly, the ability to share strategic company information can be seen in all cases as a balancing act between sharing information and not violating the company's communication and privacy policies. This applies in general, but even more with public listed and traded companies. (Bogner et al., 2014; Döring & Bortz, 2016; King et al., 2019; Linderman et al., 2011; Sackman, 1975).

Thus, the decision to participate in the research is not done randomly by managers but is a cognitive highly aware process and decision making. The letter I sent as the introduction served beyond simple participant information of the research, but rather should also deselect those not interested in the research aim or not feeling able to provide a substantive contribution based on their experiential knowledge and company information.

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<sup>5</sup> Shared in Appendix A

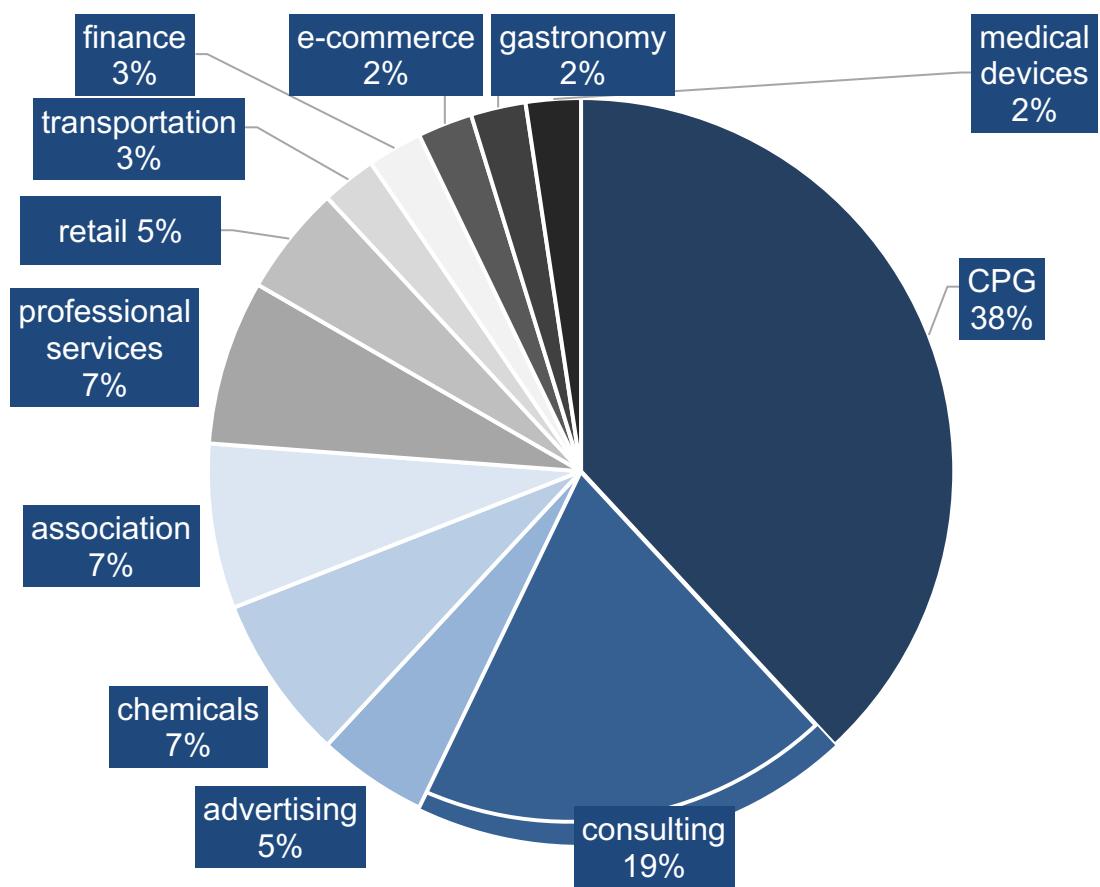


Figure 24 – Spread of research participant's industries

#	<i>cluster</i>	<i>Industry</i>	<i>Brand</i>	<i>Brand Reach<sup>3</sup></i>
1	B2C	CPG	adidas	Global
2	B2C	e-commerce	AirBnB	Global
3	B2C	CPG	B Corp & B Lab	Global
4	B2B	chemicals	BASF	Global
5	B2B	consulting	BCG Brighthouse	Global
6	B2B	consulting	BCG Henderson Institute	Global
7	B2C	CPG	Burt's Bees	Global
8	B2C	gastronomy	Chipotle	Global
9	B2B	association	conscious capitalism	Global
10	B2B	advertising	CONE	Europe and US
11	B2C	CPG	Danone	Global
12	B2B	professional services	E&Y	Global
13	B2B	consulting	eatbigfish	Global
14	B2C	CPG	Ecover & method	Global
15	B2C	CPG	EMERALD Berlin	Germany, Austria
16	B2B	consulting	enso collaborative	US
17	B2B	association	futurebusiness org	Global
18	B2B	advertising	Given	Global
19	B2C	CPG	Leaders on Purpose	Europe and US
20	B2C	CPG	Lemonaid & Charitea	Europe
21	B2B	consulting	noble purpose	US
22	B2C	CPG	Patagonia	Global
23	B2C	CPG	Philips	Global
24	B2B	chemicals	Plastic Bank	US
25	B2C	retail	real (METRO Group)	Germany
26	B2C	CPG	share	Europe
27	B2B	medical devices	Siemens Healthineers	Global
28	B2B	finance	Starwood Capital Group	US
29	B2B	association	Sustainable Brands Association	Global
30	B2C	CPG	Swarovski	Global
31	B2B	chemicals	TerraCycle	Global
32	B2B	consulting	The Purpose Institute	Global
33	B2B	consulting	The Purpose Republic	Global
34	B2C	professional services	think:act	Global
35	B2B	consulting	TKC	Global
36	B2C	CPG	TOMS	Europe and US
37	B2C	CPG	Tony's Chocolonely	Europe
38	B2C	transportation	Uber	Global

39	B2C	CPG	Unilever and its product brands	Global
40	B2B	professional services	VERMEER	Global
41	B2C	CPG	Whirlpool	Global
42	B2C	retail	Whole Foods	US

Table 5 - Participating Brands, cluster, industry and brand reach<sup>6</sup>, sorted by brand name

When searching for experts, qualifying them based on job-role and knowledge about the company's and/or brand strategy, their willingness to participate in the research, the challenge for the researcher becomes often the conversion rate, i.e. how many prospects agree and finally also do participate. However, I actually experienced a high level of interest and therefore could achieve a conversion rate which also showed the current relevance in practice within the brand and marketing managers community - in the topic and research aim per se but also in the willingness to engage in thinking and conversation about the topic. Nine out of ten prospects did finally agree to participate and only one interview finally was cancelled by the participant and could not be rescheduled. This suggests not only the above-mentioned relevance of the research but also its topicality among practitioners overall. Secondly, it suggests that the recruiting tactic within my sampling strategy worked out very effectively and efficiently. Important to note here, is that the interviews and discussions during this research showed also the signs known from action research with practitioners in general, i.e. not only the ability and capacity to share the state of their knowledge but moreover the challenges they are set up to currently in their daily work with relation to my research topic and aim. Thus, many of the interviews actually became 'ideal' scenarios and settings for conduction of a GT study, as the research subjects went significantly beyond sharing information but rather engaged in discussions about controversies and suggested e.g. other participants and sources of data they were currently looking into with regards to higher-order purpose and brand building. This affection and effect of practitioners moving cognitively beyond 'information download' towards reflective thinking and discussions is well known in action research but moreover serves fundamentally within GT to uncover and

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<sup>6</sup> Definition of *brand reach*: countries or regions where the brand is actively marketed and available, source: participants' information

source information, which might be hidden with other data collection methods (Brydon-Miller et al., 2003; Coghlan, 2011; Reason & Bradbury, 2001; Reason & Bradbury, 2008).

The actual selection and recruitment of participants for a GT study follows a method core to the methodology of GT: *theoretical sampling*. Theoretical sampling can be seen as a specific method to GT, derived from purposeful sampling as an overall sampling strategy category. The researcher searches for specific qualifications, knowledge or other pre-defined properties of the participants to specifically be able to contribute to the advancement of knowledge, within the defined substantive area of research. It is fundamental to CGT, as it enables to advance the knowledge gained and the insights generated during the data collection phase already, towards the theoretical saturation of the investigated research questions (Flick, 2018; Gibson & Hartman, 2014; Glaser, 2017; Glaser & Strauss, 1965b, 1967; Holton, 2008; Holton & Walsh, 2017; Morse, 2007; Urquhart, 2013; Urquhart et al., 2010). This is bound to the core concept within CGT to sample for density and rich information related to the core category and main concern of the emerging theory. The researcher will first sample to identify the main concern and the core category as such and then, once identified, focus on the saturation of the core category, its properties and relations to other identified, sub-categories to integrate them finally into the emerging grounded theory. So, theoretical sampling is part of the iterative process of CGT and key to enhancing constant comparison. In order to start the data collection process, the researcher will consequently first sample purposefully within the substantive area of research (Birks & Mills, 2012; Flick, 2018; Glaser, 2014a, 2017; Holton & Walsh, 2017; Morse, 2007; Oliver, 2012; Walsh, 2015).

Gaining access to managers can be a tough task for researchers, given the above-outlined barriers and challenges. However, I can say, that in this study, as proven by the high conversion rate, gaining access hasn't been the issue. First, with media like LinkedIn, the search (combined with a pre-web search for qualification to participate) direct access in terms of communication can be achieved quite efficiently. To do so, I signed up a paid LinkedIn-Pro account for a year, which granted full accessibility to profiles and extended search

possibilities (e.g. search for combinations like keywords such as ‘purpose’ and job role, company etc.). Secondly, a professional subscription allows for a certain amount of ‘cold-calling’ Emails (called *InMails* on LinkedIn). With this, I was able to search, identify and directly contact potential participants and sent them the above-referred invitation letter with more information.

Further, LinkedIn allowed the experts themselves to propose other managers to talk to and provide a direct introduction on the platform. Finally, when using platforms and social media networks like LinkedIn, the researcher limits the necessity of breaking through barriers, such as gatekeepers like, e.g. personal assistants of executives and managers. Those gatekeepers can become a significant hurdle to take, as they are often operating with standard procedures with the objective of securing and guarding the managers' schedule by keeping away all – from their perspective – unnecessary obstructions and time-consuming activities. Yet, with the opportunity to engage directly with the research prospect, one can directly engage in discussion and explanation in order to make the potential participants interested in the interview as such (Brinkmann, 2018) Thus, out of the 42 interviews, 38 participants were recruited via LinkedIn. The others were recruited at other opportunities, such as conferences (e.g. the Global Peter Drucker Forum, 2017, Vienna). Another point relevant to note is that with the usage of media like, e.g. LinkedIn, the potential participant prospect is enabled to counter-review the researcher’s profile and will also take this information potentially as a base for decisions. Some participants pro-actively shared with me their thoughts, that my own personal and career background provided them with enough information to assign credibility and trust in me and the research. Thus, the usage of social media as a recruiting tool has enhanced my access to participants significantly and paid out to be a very useful and efficient way to apply theoretical sampling across a variety of countries, companies and organizations and diverse personal backgrounds.

#### 5.1.4 Ethics, participant information and consensus to participate

Ethical considerations in scientific research should be about two main aspects; first, the researcher's behaviour and responsibility towards the participants and information they share and secondly towards conducting and presenting the

research in an accepted way (in terms of scientific ethically accepted behaviour and transparency of the research and its representation) (Mertens & Ginsberg, 2009). Additionally, Greenwood (2016) adds a third perspective when researching with research subjects from organizations, e.g. companies; the "... organizational research participants are also subjects of, and subject to, the organization to which they belong (and are often dependent upon this for the livelihood). Such research participants are not autonomous individuals free to respond without regard for any number of organizational factors such as employment security, relationships with co-workers, and loyalty to the group." (p. 509). Thus, it is also the researcher's responsibility to ensure, to the extent possible, that the research subject will not violate or breach any organizational rules or values in order to fulfil the researcher's requests. This is a challenge to (external) researchers, as the rules and values might not be accessible or even known to the researcher. Research in business and management, in general, always has a competitive aspect. Participants might be sourced from directly competing organizations, so their answers and strategies applied must be kept in secrecy.

Costley and Fulton (2019) provide guidance on how to conquer the outlined challenges. They assert further that it is vital for the researcher to be aware of the fact, that any research and research undertaking shall be seen as a process, along which "ethical dilemmas" might occur and that it is the researcher's obligation to at least attempt to become aware of those and consider those (p. 80). Therefore, they provide four key points, to be assessed, reflected and answered by the researcher:

"Principle of beneficence, Principle of respect for autonomy, Principle of justice, Principle of non-maleficence." (Costley & Fulton, 2019, p. 80)

Those key points should be made explicit by the researcher in order to provide ethical transparency within the study and serve as a point of reflective ethical behaviour by the researcher throughout the research process. But moreover, by making the ethical beliefs and thoughts behind those key points explicit, they can then be communicated in clarity towards the research subjects. This then shall

enhance transparency but also stimulate the research participants to own reflective thinking and critically enable them to reflect against potential violations of governing rules and principles of their organizations. Based on those key points, I developed the statements, provided in Table 6, which were included (word by word or in terms of content and meaning) in the invitation letter, sent to the participants to provide transparency and clarity about my role, the research project and the research subject's role and expectations towards them and finally the handling of the shared information as data by myself as the analyst and researcher.

<b>Ethical Key Point</b>	<b>Researcher's perspective and participant information</b>
Principle of beneficence	<p>With this research, I aim to provide theoretical clarity and understanding of the concept of the "purpose-driven brand". This concept is based on the idea, that brands could or should provide a higher meaning, beyond functional and emotional benefits to their customers.</p> <p>The theory will be available as a publication in form of a PhD-thesis and will, therefore, be accessible for all people interested in the subject.</p> <p>My individual and personal motivation, beyond the interest in the subject per se, is to achieve with this study a PhD-thesis which might be awarded for this research project</p>
Principle of respect for autonomy	<p>The participation in the research is, of course, voluntary and only information should be shared, which the participants are allowed to share with external persons.</p> <p>The participants should, under all circumstances, be reflective about sensitive information and data they might share - and be aware of their organization's rules, procedures and values beyond.</p> <p>The participants can withdraw or deny parts of the research or to participate at all at any time, upon their own, free decision or if being part of a company or organization their requirements.</p>
Principle of justice	<p>Although, when searching for research participants I am looking for decision-makers and managers in organizations, which can decide for their own to participate, it is important to reflect such a decision also in the light of potential additional approval the participant might need to seek within or outside their organization, depending on rules on procedures prescribed by the governing body of the organization.</p>
Principle of non-maleficence	<p>No organizational or company information on brands or strategy (or whatever you might share) will be published in relation to you, your organization or your brand, unless you might give me explicit written permission, after or during the interview, to do so.</p> <p>I would ask for your permission already to refer to you as an interview partner, yet without contextualization of the shared information. The personal information I may share with others could consist of your Name, Job Title or Role, Company or Brand you work for, address of your company and the date and length of the interview.</p> <p>The overall data (e.g. notes, personal details ...) will be stored on a password-protected, encrypted computer, and a data back-up is taken on a password-protected, encrypted external storage locally.</p>

Table 6 - Ethical key points and participants information

Thus, when approaching the participants, not only did I provide a clear outline of the research project, aim, data collection and usage itself, but also provided a non-disclosure-statement for their acknowledgement and reflection as research subjects within their organization and the governing rules of those.

The taken field notes were scanned, and then storage of the data has been conducted on a local external storage drive, which is password protected and can only be accessed via LAN locally. The analysis (e.g. memos, coding etc.) has taken place on my personal, password-protected, encrypted computer and as back-up has been stored on another external, password-protected, encrypted external hard-drive.

CGT as methodology overall, through the method of constant comparison more precisely, aims in general to abstract from single data towards an integrated view with a high level of abstraction through conceptualization. Thus, the anonymity of the participants' contributions is per se assured in the result of grounded theory. Where direct quotations may be used, the quotation is made in an anonymous manner. Same is true for references made in this thesis for all data from the interviews in general and memos. Therefore, I used a system to reference internally to interview field notes and memos; interview field notes have been stored and were processed by being labelled with no reference to the participant's name or organization's brand, e.g. 2018-03-12 *Int\_4*. Memos have been labelled in a comparable structure, e.g. 2018-03-12 *I-Memo\_P2*, when linked to an interview. However, within the field notes and memos, there might be references to the names, brands and organizations though. Yet, those are only worked and analyzed by myself and not shared with third parties.

#### 5.1.5 *Conducting the interviews: Settings, documentation and instruments*

In general, when conducting interviews as data collection (or data generation) method, the researcher shall consider more than the participants' qualification only. The researcher is advised to develop settings suitable for the interview, ensure the interviewer and interviewee are comfortable in the interview situation, the context and technological tools (e.g. Skype) used etc. (Byrne, 2018). Yet, the researcher shall also consider the experience and knowledge of the participants regarding research participation itself and what the setting of the interview could

be, as the subjects might be more comfortable with a situation they already experienced (Brinkmann, 2018). This, differs significantly, depending on participants as individuals (or also in groups); when interviewing e.g. consumers, one interviews (or observes) ‘private people’, who share thoughts and ideas about consumption etc. based on their personal experiences and decisions. If on the other hand, the researcher aims to research with experts like I did, i.e. professionals from a job role which per se is aware and somewhat familiar with research as part of their own practice, the awareness and knowledge about the research and the data collection or generation method of interviews is different. Different in terms of known procedures, further understood with regards to its basic functioning and objectives and overall mechanisms (Trinczek, 2009). When interviewing professionals from marketing and strategy teams as experts, they are aware of the setting, the procedures from their own practice, and moreover, the topics covered relate more to their business role as opposed to them personally, although this isn’t sometimes mutually exclusive (Bogner et al., 2014). As such, marketing and brand managers, as well as consultants and strategy managers are themselves applying those methods often as part of their professional roles, or at least are aware of them and knowledgeable through education and training (Meffert et al., 2014). Thus, the researcher conquers different barriers, as the interview itself can be seen in my study as two professionals (interviewer and interviewee), with both having (somewhat) experience in the method of interviewing or at least theoretical knowledge about the research technique. So, the researcher becomes a professional, exchanging thoughts and generating and collecting data from interviewees, as they themselves would in another situation do on their own. Consequently, the necessity of caution towards setting and technology used for the interview might play a less significant role and even have no impact whatsoever on the results (Bogner et al., 2014; King et al., 2019). Further, the application of videoconferencing such as e.g. Skype is often perceived from a different perspective: Professionals apply such technology throughout their workday and are probably even more comfortable as they are used to this setup already. The ability of the interviewee to choose with such technology the most individual comfortable setting (timing, place etc.) might then serve the interviewer to engage in an in-depth conversation. Thus, I proposed with my research request to use

technology such as Skype, but also offered to make use of telephone-conferencing or to meet face-to-face. I wanted to ensure that the interviewee can choose the setting most comfortable with and also allow for freedom in choice regarding the situation of the interviewee with relation to their schedule. Only three out of 42 chose to do face-to-face, while only four out of the other 39 chose to use telephone-conferencing. All others chose Skype as the medium they wanted to use for the interview. Also, regarding timing and dates, most (36) of the interviewees chose to conduct the interview from their offices during the day, while three asked to have the conversation in the evening and called in from home. Out of the three face-to-face interviews, two have been conducted alongside a conference in Vienna and the other one in the participant's office in London. All interviews have taken place between October 2017 and November 2018.

The interviews have lasted between 40 to 140 minutes. Although it is known in conducting interviews within a grounded theory study, that interviews might become shorter with increasing saturation towards the end of the fieldwork (Holton & Walsh, 2017), I could not confirm this with my study. Although it became quite clear to me when categories became saturated that the contribution of new insights decreased, however, some interviewees shared more extant knowledge and perspectives as well as experiences. More precisely, what became obvious with the last interviews, that there didn't occur new information or insights in terms of properties or additional items to the insights from previous interviews. What occurred was more contextualization and examples, which helped for theoretical density, but moreover on what the concept itself might lead to and further consequences. Those have been analyzed and noted in separate memos as well, to ensure to not lose any information and ideas, but then will be only recovered and discussed with regards to further research which follows based on this study and its results.

When interviewing, it is often suggested to record the interview conversation and then transcribe for data analysis. The plurality of the reasoning is covering very different aspects, from sheer institutional (e.g. University) requirements, over potentially increased validity of the study due to increased transparency and secondary use of the data to the potential requirements of the chosen analysis

method (Bogner et al., 2014; Brinkmann, 2018; Byrne, 2018; King et al., 2019; Trinczek, 2009; Yeo et al., 2014). These aspects, *per se*, aren't different when applying in-depth interviews as data collection and data generating method with (C)GT. But what differs significantly to other (text) analysis methods (like, e.g. in-text analysis, thematic analysis, cluster analysis etc.) is that the grounded theorist is *not* looking for specific words or wording to replicate, but rather for incidents, patterns and structures in the data. So, the researcher in the 'GT-analyst-role' is seeking to recognize larger patterns and structures (incidents) within the data overall, not for single expressions and wording of such by (single) research participants (Bryant, 2017; Holton & Walsh, 2017). Glaser (1992) actually warned, that when the researcher is looking for word-by-word analysis, she might miss the whole idea of (C)GT's coding principles; to identify concepts which emerge from the data, rather than single items, based on single words or sentences. The researcher therefore actually should avoid line-by-line or even word-by-word coding strategies in CGT at all, as this will mislead to "over-conceptualization", in contrast to the admired abstraction towards theoretical conceptualization (Glaser, 1992, p. 40). Glaser (1992) strongly argued against recording and transcribing interviews in CGT. He referred to the overall coding tactic as *key point coding*, which has been picked up by many (C)GT studies as it supports the concept of looking for incidents which are relevant to the study and enable exploration of such (Bryant, 2009, 2017; Glaser, 1992). As CGT, "... is a concept-indicator methodology that relies on the patterned presence of conceptual indicators through multiple incidents as captured across (...) data(...)", it is not only sufficient to rely on field notes in total, rather than line-by-line, but will enhance the abstraction and conceptualization (Holton & Walsh, 2017, p. 40). Sometimes the recording and transcription of interviews is required through institutional rules, which by that try to enhance validity and transparency in the research and the results. However, considering this from an epistemological point of view as a critical realist, the interpretation of the data is accepted anyways to be relative and therefore subjective, and this is acceptable as a critical realist. "Coding is a process of separating the music from the noise, but one person's music may be another's noise." (Bryant, 2002, p. 181). As such, the recording and transcribing would not add any benefit to my research, moreover, as outlined above, it might distract from the actual data analysis by

getting stuck with word-by-word or line-by-line analysis – which is not suggested when operating CGT.

Additionally, recording an interview in my study, which is a conversation from an entrepreneur or employee to an outsider of the organization, sharing potentially sensitive information such as strategic ideas and concepts may also have hindered the recruitment and even more an open conversation during the interview. Also, explicitly, the practitioners highly welcomed that I am not recording but taking notes and sometimes even stated that this would allow them to talk more unrestricted and openly. Although they all agreed to be quoted (anonymously), recording and transcribing might have led to very different results. This is also based on my personal experience of over a decade as a manager; I never agreed to participate in research when the interview was recorded.

Therefore, I decided against recording and transcribing but took field notes<sup>7</sup> during the interviews, which then served for the initial round of open coding, applying key point coding as an overall tactic to identify incidents, patterns and latent structures in the data<sup>8</sup>.

#### 5.1.6 Data analysis and conceptualization towards a theory

In CGT, two main stages are to be undertaken as data analysis; substantive coding and theoretical coding. While substantive coding aims at conceptually building the core category and the explanation of the main concern through the core category, it is split into two sub-stages (open and selective coding). Theoretical coding is about inducing the theory and integrating the before identified properties and dimensions of the core category, linked finally to the extant theoretical knowledge within the substantive area (Bryant, 2017; Dunne, 2011; Holton & Walsh, 2017).

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<sup>7</sup> An example of field notes is provided in appendix B

<sup>8</sup> An example of coded fieldnotes is provided in appendix C

### 5.1.6.1 Substantive Coding

Other than with textual analysis methods (e.g. thematic analysis), in (C)GT the researcher does not start the coding by pre-defined specific questions. More, in general, she is supposed to look for emerging concepts, which might be not in plain sight, but rather hidden in the data (Holton, 2007). To ensure this open view, Glaser (1978) insists that the researcher will move from incident to incident and ask the following five questions to facilitate the generation of the core category (p.57):

What are these data a study of?

What category does this incident indicate?

What is actually happening in the data?

What is the issue facing the participants?

What is their main concern, and how do they manage or resolve it?

With this, the researcher in the analyst's role will enhance the idea of not forcing pre-conceived concepts on the data, but rather enable to let the incidents and categories emerge from the data (Glaser, 1992, 2001; Hernandez, 2010). It is crucial to search for the latent patterns in the data and therefore I used the above explained *key point tactic* to identify and recognize structures and concepts, emerging from the data. Having analyzed the first five interviews, I was able to recognize the main concern and the core category; at least the evidence of their existence and some first conceptual understanding of their properties and dimensions. Then I moved on to the second stage in substantive coding: selective coding. As a result of this the researcher is applying further (then theoretical-) sampling towards increased density and information of the core category (including its variables etc.) and, in CGT, enhances the explanatory factor towards the uncovered main concern. As such, the coding then focusses on the core category and all other concepts are being left behind if they do not have any dimensional or relational significance to the core category itself (Bryant, 2017; Glaser, 2001; Holton & Walsh, 2017):

"If a concept, regardless of its novelty or the personal preference of the analyst, does not have relevance in relation to the core category, it is dropped from subsequent analysis and theoretical elaboration. In this way, the core category becomes a guide to further data collection and theoretical sampling. (...) Because not all data pertain to the core category (or related concepts), it is necessary to "delimit" coding to just that which pertains to the core and related concepts." (Holton & Walsh, 2017, p. 84)

The analytical process at the substantive coding stage of the overall coding process lead to the identification of the core category, *Activism*, through higher-order purpose<sup>9</sup>. As an example of the applied coding process, I present in the following section further details concerning how the coding process allowed for the transformation of the raw data from codes into categories, which facilitated the identification of the core category.

The core category in a CGT study, based on a critical realism paradigm, can be identified as the resulting activity, undertaken by the study's participants, stemming from a generative mechanism; this mechanism is occasionally also referred to as a basic social process in the literature on GT. The often implicit application of the underlying generative mechanism by the participants enables them to address and facilitate their main concern, with which they are confronted with in their practice.

When starting to code the data, in order to uncover the main concern and the core category, the researcher applies the on p. 152 mentioned five key questions for use in a CGT analysis (Glaser, 1978; Holton, 2007). The first stage of substantive coding, open coding, yielded the in vivo code *Activism*. Throughout the second coding stage, selective coding, this in vivo code was confirmed through further incidents and repetitions in the data. Other in vivo codes, such as *Activist*, *Activist stance*, *Pro-activeness* and *Pro-active* were subsequently collapsed into the *Activism* category; here, the category name relates to the

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<sup>9</sup> In order to highlight the actual codes in the overall text, they are presented in *italic* letters and in capital initial letters

original in vivo code. This process is interpretive, and the researcher subjectively values and assesses the codes, which can be collapsed into a single category. As critical realism notes, the interpretation of data is always subjective, therefore, the researcher's interpretative stance aligns with the position of this research paradigm. However, the use of in vivo codes in GT enhances the value of the emerging, theoretical model overall, as these codes convey the participants' voices throughout the process of abstraction, towards theory building and therefore increase the explanatory value of the research results (Given, 2008). Therefore, in vivo codes, such as *Activism*, can enhance the theoretical model that emerges from the data.

During the final stage of the analytical process, which followed the emergence of the theory, I also embedded secondary data identified during the initial literature review as a form of triangulation. This approach, which is in line with CGT's methodology, again confirmed the in vivo code *Activism* and its property *Through higher-order purpose* (exemplary, secondary data sources were Faber, 2018; Kotler & Sarkar, 2017; Lirtsman, 2018; C. N. Smith & Korschun, 2018).

Table 7 provides an excerpt from the data that illustrates the abstraction from raw data into codes and categories. It is important to note that, the illustration is limited to the explanation of the core category; however, the data also provided additional codes that are not shown in this Table.

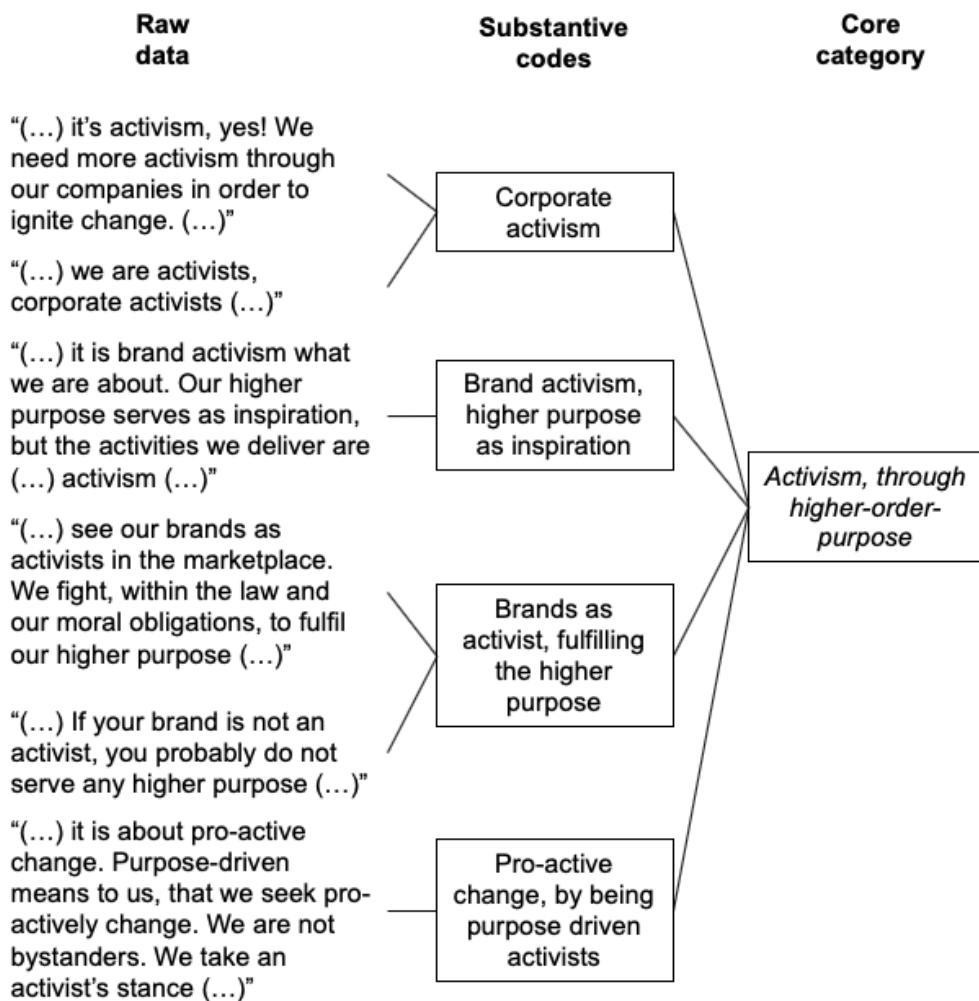


Table 7 - Excerpt from the coding process towards the core category

#### 5.1.6.2 Constant comparison and memoing throughout the process

Before moving into the next coding level, theoretical coding, it is essential to provide insights on my application of the practice of memoing as the enhancer for constant comparison in conducting a CGT study.

To facilitate the analysis, theoretical sampling and increased saturation of the core category, I used memoing as a reflective and thought-stimulating technique, common and core to (C)GT. The researcher is encouraged to write memos about any, literally any, thoughts and ideas, without judging its value or potential application towards the emerging concepts. The idea behind this very open approach is overall to ensure, that the thoughts and ideas, emerging while actually doing the analysis, are captured, accessible throughout the research and will further later on, in theoretical coding, guide the process of moving from codes

and categories towards theorizing and theory induction. Additionally, I experienced the sheer act of writing memos as a key enhancement to constant comparison; ideas and patterns increased in clarity and relational aspects mainly during the writing of memos, rather than by analyzing the data itself (Bryant, 2017; Glaser & Strauss, 1967; Goulding, 2002; Holton, 2008; Holton & Walsh, 2017; Moore, 2009). The core strength in this project, I would recall ex-post, has been the early integration of memo writing, actually far before the theory emerged or even the core category and main concern were identified. Glaser (1978) highlighted the importance and significance of memoing, advising researchers to interrupt analysis, data collection and generation etc. whenever ideas and thoughts emerge and to start memoing about those. Also, I confirm that I found memo-writing as the critical enhancer and thought-provoking technique throughout the overall project. I valued the freedom very much in memoing and creative writing and thinking, which Glaser (1978, 1998) proposed by ignoring any writing style-evaluation, even grammar, language and so on. Whatever the technique for thought capturing and enhancement, works for the researcher, it should be applied. So, my memos not only became typed documents but from hand-drawn conceptual and relational models to chunks of cut and replaced papers, everything became a memo. I personally found the most insightful and valuable moments during the data generation and analysis process, when writing, drawing and sketching memos. Therefore, it served as the critical foundational instrument within my CGT to theorize and produce knowledge, emerging from the data. Especially the discovery of underlying patterns and concepts in the data has been enabled by memoing. Further, the memos themselves served fundamentally for the second stage in the coding process, already being abstract from the data and theorized in their essence.

In general, I structured the memos in mainly four different ways, which helped me in the next stage, theoretical coding, to facilitate the process and insights. In Table 7, I provide an overview of the different characteristics of those memos and how they served, although each memo could not be limited for only one purpose. Pre-, Interview- and Post-Memos were related to the data generation and collection process. At the same time, theoretical memos were developed at any time, place and not bound to any stage in the process as such. Further, the theoretical

memos served as the place in my research where I wrote (drew, sketched etc.) connections and relations I saw as potential to further extant theory and concepts. This served later, in the final stage in theoretical coding, as a base for triangulating the emerging theory with the existing body of knowledge and theoretical enhancement of the theorizing process and overall constant comparison.

Memo	Content and purpose	Label
Pre-Memos	<p>Written before the interview was conducted, about background-knowledge I had (or not had) about the brand, person, company etc.</p> <p>Was revisited after the interview in order to ensure the memo of the interview would reflect on the interview as such and limit my personal influence in the interpretation, at least provide transparency about such.</p>	e.g. 2018-12-03 Pre-Memo_3
Interview-Memos	<p>Written (mostly directly) after the interview, reflecting on insights, patterns and most importantly the understanding ‘between the lines’ during the interview. E.g. contexts, motivational factors, explanatory factors, relational factors etc.</p> <p>Was used as the main foundation for generating codes and categories during initial and selective coding.</p>	e.g. 2018-12-03 I-Memo_3
Post-Memos	<p>Written any time between interviews, mostly when new thoughts aroused mostly some days after the interview during coding (but not limited to), concerned with patterns and structures, codes and categories and their relation to the core category, main concern, dimensions etc.</p> <p>Served during substantive coding as foundation for theoretical sampling and also constant comparison alike.</p>	e.g. 2018-12-09 Po-Memo_3
Theoretical-Memos	<p>Written unbound of time, interviews, context etc. as thought-documenting and stimulating documents.</p> <p>Served during the overall process of coding and more importantly foundational to theorizing and triangulation at the final stage of theoretical coding. Were used for memo-sorting and bucketing themes and dimensions, properties and character of my research with other data and extant theory.</p>	e.g. 2018-12-18 T-Memo_2

Table 8 - Different memos and their different functions

To memo throughout the research process, from the initiation of data collection to theorizing, it “... is essential to transcending descriptive analysis.” (Holton & Walsh, 2017, p. 90). Glaser (1998) insisted, that it is the habit of memoing, that

will enable the research to move beyond descriptive analysis and only then theoretical thinking will be enabled. Klag and Langley (2013) suggest that this is the actual cognitive process leading to understanding and discovery when analysing and sense-making within qualitative research happens. Also, I personally recognized that the actual writing (drawing and so on) served as a creative technique to detect patterns and structures, incidents and relational factors. It sometimes feels like having a conversation with the data and as strange as it might sound; the data speaks with the researcher. Within those creative, cognitive stimulated time periods, I would conclude enables interpretation, abstraction and contextualization of the theoretical codes and constructs.

#### 5.1.6.3 Theoretical saturation

Theoretical sampling and constant comparison also inhibit the concept of *theoretical saturation*. The researcher must understand when the category under investigation is saturated, i.e. no new insights and contributions can be expected furthermore. Holton (2007) asserts, that in order to develop theory on a conceptual level, beyond the description of the data, it is necessary to reach the level of theoretical saturation in order to conceptualize the core category and its properties into (hypothesized) new theory. Glaser (2001) refers to theoretical saturation as the state of the research with “intense property development” (p.191) of the core category, its relation to other categories and its explanatory significance to the main concern of the research subjects. The researcher is supposed to investigate and inquire data collection and generation, constant comparison, coding and conceptualization with the help of memoing throughout the theoretical sampling process in order to become theoretical sensitive. *Theoretical sensitivity* describes, “The ability to generate concepts from data and to relate them (...); while the researcher is required to, “... maintain analytical distance (...); and to, “... develop analytical insight into the area of research (...”, in order to go from description, through analysis - by coding with scientific rigor - to conceptualization (Glaser & Holton, 2004, para. 43). The concept is central to theoretical saturation; the researcher must be aware of the state of property development and when to stop the theoretical sampling process as the research questions seem to be answered with the emergent theoretical construct in the data (Flick, 2018; Glaser, 1978; Glaser & Holton, 2004; Holton, 2008; Holton &

Walsh, 2017). Through the actual application of memoing, I understood the concept of theoretical saturation in practice; the discovery of patterns and latent structures, when analyzed and interpreted with the help of memoing, start ‘repeating themselves’ in the memos and the researcher will start to spot those during the next interviews. This sensitivity shall lead to further elaboration and when no new incidents appear, I could assume the category, property, dimension etc. to be saturated, and no further probing and elaboration was needed. This moment also initiates then the second stage in coding; Theoretical coding.

#### ***5.1.7 Theoretical coding: Memo sorting, writing up and induction of the theory***

The objective of theoretical coding is to, “... model the relationships between and among the core category [ and the main concern] and related concepts.” (Holton & Walsh, 2017, p. 87). After theoretical saturation of the core category, the main concern, its relation and further properties and concepts, directly related to the core category, have been achieved, I moved on to theoretical coding. This stage is about conceptualizing the theory, based on the substantive coding stage and the memos developed. The modelling of the theory and its dimensions is about relating the substantive codes and categories, abstracting a theoretical, interwoven system of properties and dimensions, which hold finally explanatory power with regards to the main concern. Relevant here is that the theoretical code(s) emerge through memo-sorting and integration. The re-integration and abstraction were achieved in my study through memoing about the integration and system of memos developed by memo-sorting. Then theoretical coding becomes, practically speaking, memoing about de-constructed and re-arranged memos from substantive coding. This is also where I followed CGT’s approach to reviewing (empirically grounded) literature and secondary data sources. Those will first help to strengthen the theoretical concepts and secondly serve as a base for triangulating the emerging theoretical codes with theoretical constructs from within the substantive area of research. This is important here to explain: At this stage, only literature and data within the substantive area of research is integrated, not the extant knowledge and body of theory. This contextualization will only happen after the theory is produced, i.e. when theoretical coding has been achieved (Bryant, 2002, 2017; Christiansen, 2011; Flick, 2018; Gibson &

Hartman, 2014; Glaser, 1998, 2012; Goulding, 2002; Holton & Walsh, 2017; K. Locke, 2001; Urquhart, 2013; Urquhart et al., 2010).

For the sorting activity and re-integration in memos and resorting and re-reintegration process, I followed Glaser's (1978, 2014) advice and analytic guidance for theoretical coding by memo sorting and reintegration. Those, combined with my experience and actions, based on the guidance in CGT methodology, can be summarized as follows:

- I. There is no 'right' memo to start with. I sorted, starting out with a Theoretical memo from the middle of my research and data collection process, just because it was on top of the pile. The researcher is advised to not preconceive and pre-model the sorting sequence in order to not ex-ante integrate data. The sorting itself will lead to sequences and structure, based on relational structures uncovered when sorting. This is the actual objective of hand sorting. However, it is essential to sort all memos.
- II. All sorting should be related to the core category and main concern. This will enhance selectivity and induce clarity to the emerging theory. I piled up the memos according to the integration of substantive codes and related those piles towards the core category (physically, on the wall with post-it notes and on the floor as papers and piles of papers). This emerging structure is then re-integrated by writing a memo about it. This memo then becomes the thick description of a theoretical code and can be interrelated and categorized again.
- III. Revisiting the research questions: As part of the hand-sorting process and the memos about theoretical codes, I compared them to my research questions in order to understand the theoretical saturation and moreover the explanatory ability of the explorative work conducted in the data collection and generation process. Finally, I found all three questions to be answered and therefore, could claim theoretical saturation not only within codes and categories but also for my research objectives. Thus, the theoretical coding led to a model of theory, delivering against my research aim.

Worthwhile to mention was that I found myself in the middle of piles of papers, memos etc. and recognized that the actual process applied here was another large work of delimiting and re-focusing. Theoretical coding, when done with rigour, will enable the researcher then to ‘zoom in’ and integrate, while de-selecting ideas, concepts and codes which not directly relate to the core category and main concern.

## 5.2 To software or not to software in CGT

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One question I was confronted with quite early on was the potential help of using data analysis software, such as, e.g. NVivo for conducting the analytical part of the research process. What seemed to me - as a novice researcher - obvious to use, became a point of decision making very soon. Although there is a general acceptance of using such tools and NVivo, specifically in GT research, the application could cause difficulty to the researcher. The argument for the application of such software is, that it can provide increased transparency about the research project, the coding process can be recorded and represented and therefore, the research results might gain credibility. Also, NVIVO specifically can be used to integrate different sources and types of materials, from field notes, memos to secondary data sources such as recordings from e.g. YouTube etc. (Bringer et al., 2004). In contrary, Holton and Walsh (2017) assert, that this mistakes conducting a CGT process as another, “... qualitative research methodology for which detailed transcription of interview data is the norm.” (p. 95). They argue that the strengths of software programs in general, and with NVivo specifically, are indeed database-strengths (i.e. searching, storing etc.). However, they warn the researcher in getting stuck in what Glaser (1998) referred to as merely descriptive coding and not the CGT required analytical coding with the objective of (early) abstraction and conceptualization as core to the CGT doing process. As such, such software can be helpful when used and perceived as a database but should not be at the core of the actual coding process. This process consists of hand-coding, hand-sorting, rewriting memos and so on, which can be well documented in NVivo. However, it should be regarded as an analytical process unbound of any software (or tools in general). Also, Chametzky (2016) strongly supports the idea of hand-coding (hand-sorting etc.), as he argues that any software-tool cannot do the analytical work with, “... the finesse

that you [the researcher] do (...)" (p.167). As Glaser (2001) emphasized, that in CGT the objective is not description through documentation, but the abstraction towards coding of, "... concepts [that] are abstract of time, place and people and that [those] concepts have an enduring grab (...)" (p. 10), there is no important need for descriptive-documentation, but the need for abstraction throughout the process – from very early on. As such, beginning with taking field-notes instead of recording for detailed transcription, coding becomes a creative exercise, which should be done by the researcher, unbound of any limitations given by frameworks from e.g. software tool's capabilities. Rather, creativity and conceptual thinking shall be at the core of the conceptualization, which is enhanced by hand-coding (etc.) (Chametzky, 2016).

I personally agree with Holton & Walsh (2017), Glaser (1978, 2001, 2005) and Chametzky (2016), and found it helpful to use NVivo as a database but did the actual coding, revisions and integration outside and only then re-applied and documented it into my NVivo database. With this process, I want to balance the creative coding process towards conceptualization, but also consider research-transparency and potential questions of research process validity through enabling a potential reconstruction of the research process and its operations. Where it became a definite asset and a helping tool, was during the integration of secondary data, such as videos and other empirical data during triangulation. Also, I wrote many memos directly as such within NVivo. Also, some of them were scanned from hand-taken notes. There, NVivo helps the researcher to manage, store and interlink different types of data in an integrated and comprehensible way, which I hardly could imagine applying without such software due to the volume and complexity of the data set. Consequently, I used NVivo as a database tool, but not to facilitate the actual coding and analytical work. The ladder has been conducted outside of the given, prescribed frame, provided by software such as NVivo.

## **Chapter 6: A Grounded Theory of the Purpose-Driven Brand**

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This chapter provides the results of my research and outlines the findings of the incidents in the data, leading to the main contribution of this thesis; the emergent CGT of the purpose-driven brand, including a systemic representation of its constitution, causal relations and mechanisms, tenets, properties and sub-categories. Further, the presentation of the theory is embedded in argumentation and reasoning of the practitioners regarding their motivation and practice and concluding how the managers integrate higher-order purpose into their overall corporate strategy and brand strategy and -management frameworks.

First, I outline and elaborate on the main concern of the managers and the related latent patterns, which can explain the emergent core category of the grounded theory. The main concern and it's resolving through the core category are explanatory regarding the motivational factors underpinning the concept of building purpose-driven-brands. The main concern resides at the core of the substantive theory, as a generative mechanism. This systemic model will explore the motivational patterns, explain the reasoning and causal relation and the management of the practitioners regarding their main concern in practice.

Secondly, in the absence of any definition of what higher-order purpose is and constitutes, I provide a definition of higher-order purpose, based on the research's empirical grounded findings. This definition of higher-order purpose serves as the foundation for the following elaborations about the integration of such into corporate strategy overall and brand strategy; specifically, how it affects other strategic tools in a normative, strategic framework of the for-profit corporation. This will be in conjunction with the presentation of the managers' overall approach to constitute and integrate higher-order purpose in their strategic, normative frameworks. As there is ambiguity regarding a definition of the overall strategic, normative framework of the firm in the theoretical body of knowledge, it is essential to provide such a framework in order to elaborate further its relation to brand strategy theory, in the next step.

The integration of higher-order purpose into a brand strategy will be developed and presented, based on the research's empirical findings. Here, the research has shown two differences related to brand architecture. Thus, within the

elaboration, I also use two examples from the research to present the two differing approaches between a branded-house strategy and a house-of-brands strategy. The presented examples have been mentioned and discussed by the participants of the research frequently and repetitively.

The systemic model of the emerging GT is enhanced through the triangulation of the empirical research findings and further adaptation of insights from the literature, published by practitioners, which's review was suspended to after the theoretical model emerged. As a core tenet of CGT's procedures, constant comparison explicitly is a method to integrate such further knowledge into the emerging theory. This triangulation with practice-based perspectives, concerning the incidents and findings in the data, will enhance the systemic, theoretical model towards a profound, substantive GT.

Importantly to note, in line with my philosophical stance as critical realist, this theory is provisional and may be enhanced and adapted through further discussion, research and elaboration. Also, my overall research aim is to contribute a foundational, theoretical model, which allows for further research and investigation into the observed phenomena.

The presentation of the findings is supported by conceptual elaborations, incidents and insights of the empirically grounded indicators, which are found to be representative for the overall incidents in the data. However, to facilitate readability and moreover enable the reader to follow the indeed complex theoretical constructs presented, I limit the presentation of those indicators and only provide therefore excerpts of the data. Those are referenced with footnotes to the respective field notes or memos in the database. Those footnotes are structured as shown in Table 7 (Chapter 5), without the prefix dates in order to ensure the anonymity of the participants throughout the representation of data extracts. However, the amount of those presented incidents or the scope of each representation shall not be used for quantification or qualification. They shall serve as supporting explanations of my interpretations and enhance the understanding for the reader. Categories, properties, *in vivo* codes and the main concern are marked in *italic letters* throughout the chapter.

To present the emerging grounded theory, different visual depictions of the theory's elements have been applied to the following overall visualization of the theoretical model. To enhance the model's legibility, the visualizations are based on the concepts of *explanandum* and *explanans*. Hempel and Oppenheim (1948) introduced the terms *explanandum* and *explanans* in their model of deductive, scientific inquiry. Although this study applies an inductive approach, the application of these authors' model can enhance the explanatory value of the presented CGT. Hempel and Oppenheim (1948) asserted that in order "To explain the phenomena in the world of our experience, to answer the question "why" rather than only the question "what (...)" (p. 135), one requires a clear structure in the modelling of theory. Therefore, they introduced a pattern of scientific explanation. This pattern distinguishes theoretical elements into three critical aspects: The first is the phenomenon under study, which can be observed in practice; in this study, the phenomenon is the claim of for-profit corporations to be purpose-driven or to apply a higher-order purpose to their brand strategies. The second is the *explanans*, which are described as "... sentences which are adduced to account for the phenomenon." (p. 137). An *explanans* is required to fulfil an "... empirical condition (...), [which is that] the *explanans* has to be highly confirmed by all the relevant evidence available (...)" (p. 138). The *explanantia* in a CGT study are represented through the 'main concern'. The main concern is grounded in the (empirical) data and the incident that the researcher searches for at the first coding level (open coding) within the overall coding process. Third, the *explanandum* of the study is "The sentence describing the phenomenon to be explained (not the phenomenon itself)" (p. 137). In CGT, the core category is the central element of the theoretical model, which explicates the (in practice) observed phenomenon. The *explanandum* needs to be the "... logical consequence ..." (p. 137) of the *explanans*. The core category is the logical consequence of the main concern. However, this relationship is generally implicit and therefore not visible to the researcher, rather, it is uncovered through the coding activities in the GT process. The phenomenon under study is situated between the *explanans* and *explanandum*. Thus, in GT, the core category and the main concern need to be uncovered through the researcher's analysis (coding strategy) of, and abstraction (theorizing) from, the data.

It is important to note that a relationship between explanans (main concern) and explanandum (core category) is not only formed via the observed phenomenon but is also established directly between explanandum and explanans. A central element of CGT is that the core category possesses explanatory value with regards to the main concern. This relationship can explain the participants' management of and dealings with the main concern. This process is initiated by the participants' activities (represented and described by the core category). Therefore, a CGT can identify a series of causal relations in the theoretical model: From explanans (main concern) towards the explanandum via the phenomenon (core category) and then directly from explanandum to explanans.

The phenomenon under study, higher-order purpose, is visualized as a diamond. The explanans of this study, the participants' main concern, is visualized as a round circle and entitled "main concern". The explanandum, the core category, is presented in a square and entitled "core category". The causal relations uncovered through the CGT are visualized in the form of dotted lines, which indicate the overall logical flow within the theoretical model's mechanisms. Furthermore, some relations between the theory's single elements, are visualized with a continuous line, which indicates that these connected elements form a conglomerate within the overall process of the theoretic construct; that is, one cannot extract a part of the conglomerate connected by a continuous line. The single elements triggered by the causal relations and events are visualized in the form of rectangles containing description of these triggered activities. The stadium-shaped rectangle visualizes the involvement of the corporation's leadership in the overall mechanism. the legend for the visualization is provided in Table 9.

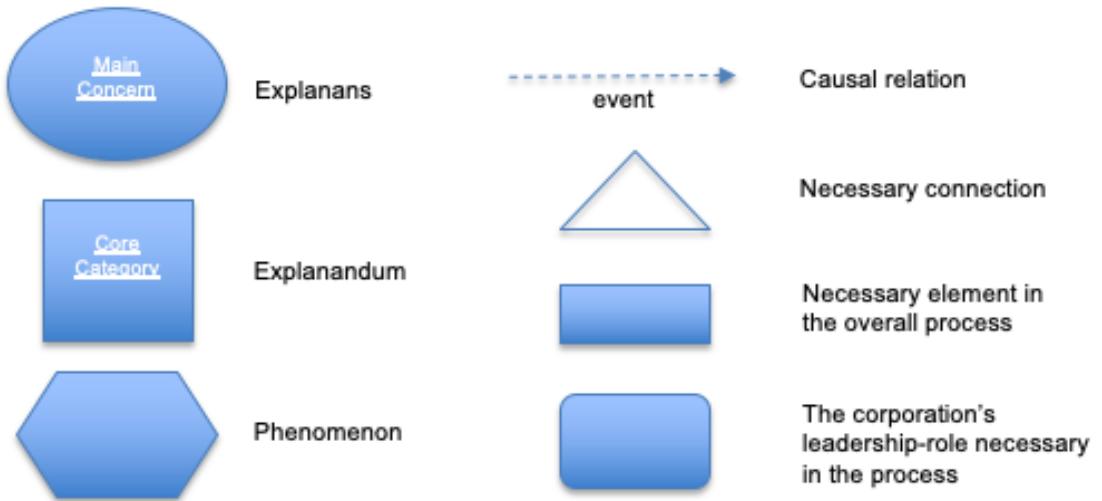


Table 9 - Legend of visualizations of the CGT model

## 6.1 The managers' main concern and its resolution through the core category

The core category is the explaining factor in a GT of the main concern. Consequently, I first present the main concern of the managers, which emerged from the data. Then, the core category of the emerging theory will be presented. The exploration and explanation of both, sitting at the heart of the emerging (grounded) theory, will be presented in an integrated view, in order to also uncover the relations between and properties of each element. Those relations and properties are essential to the (grounded) theory, in order to later investigate further on how the theoretical construct fits in the strategic framework of the corporation, especially in relation and its positioning within normative, strategic frameworks, including brand strategy.

### 6.1.1 The main concern: Balancing conflicting interests by managers

*Balancing conflicting interests* in capitalistic, free-market-systems has emerged as the main concern of this study with brand managing executives of a corporation. Importantly to note, before entering the discussion, is, that all of the managers explicitly support the economic model of those capitalistic, free-market-systems they claim to operate in.<sup>10</sup>

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<sup>10</sup> T-Memo\_1

The managers argue that their overall concern is that the market system they use for their business' operations might be about to *diminish itself* through the less societal-accepted produce and *negative effects* of the system's mechanisms. Those effects might occur as a by-product of the system's participants' actions, such as i.e. the corporations' impact on public interests of society at large. Those negative impacts could lead to increased tension in the societal perception of the system *per se*, which is increasingly criticized for those negative effects. This observation is mentioned by all managers and they assert, that if the individual interests of all members of those systems are not being perceived as being treated equally, the system itself will be questioned and probably changed<sup>11</sup>. However, those changes might then lead to disadvantages for the corporations in operating their businesses and generating profits within the system. As such, the managers argue, collective welfare and individual freedom must be sustained and become noticeable to its participants, within the current system, otherwise the system will change. They argue that in order to prosper as society at large, the system's participants can only generate a further increase in freedom and welfare if the systemic *negative by-produce* and its *negative effects* are minimized and the system overall must lead to increased welfare for each member of those societies.<sup>12</sup>

The increasingly prominent and visible uncovering of *systemic issues* and its challenges, latest with the financial crisis in 2007 and onwards up to today's dispute about necessary action against climate change, has led to an increase in

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<sup>11</sup> T-Memo\_15

<sup>12</sup> In absence of a definite definition of the term *society*, in sociology but moreover the lack of any shared definition across scientific disciplines, I use the term throughout this thesis, following an open definition from Ottaway (2001): "Society is a kind of community, whose members (...) are united by common sets of aims and values." (p.2). Ottaway adds, that members can be social and non-social persons and entities. The common set of aims and values can be derived from legislation, such as e.g. national constitutions and their policies of countries and markets, bi- and multi-lateral trade agreements, global policies like UN's Sustainable Development Goals etc. Therefore, as a working definition of society for this thesis, I argue, that human beings, but also human made organizations, such as e.g. companies and political institutions, form society at large – accepting a normative frame, derived from policies to live, act and operate in.

(public<sup>13</sup>) systemic critique, which, although being comprehensibly understandable for the managers, might lead to wrong conclusions and false actions (from the managers' perspective), the practitioners fear.<sup>14</sup>

*"All this freedom we are operating in is not a given. It is a social contract with all members of society, regulated by laws and societal standards, governed by a mutual understanding of moral. Now, if an increasing part of the society we operate in, loses faith in benefiting from the system, of course, they question the system as such. And hardly any short-sighted, anti-free-market adaptation would be beneficial to (...) [our company]."*<sup>15</sup>

With current societal developments, e.g. Fridays-for-Future climate school strikes, the re-emergence of socialist conceptual ideas in the political arena and also increasing popularity of populist and extremist parties, the managers are concerned that the system of free-markets, which they strongly support, might be sacrificed overall – for the wrong reasoning, argued from their perspective.

*"We have now seen over two decades with increasing systemic tension: More and more people feel that the system encourages companies, like (...) [ours], to internalize profits, gained on the externalization of societal costs."*<sup>16</sup>

*"The current debate about the climate crisis shows the issue clearly; (...) [brands'] production and distribution have been polluting the environment, but those costs are externalized to the common bill of our society. But the*

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<sup>13</sup> The support for the capitalistic free-market system might be even lower among younger generations and decreasing, recent data from a Gallup study among Americans suggests (Newport, 2018). Further there is increasing argumentation, that the benefits of the system are probably not equally, or fair, distributed among society and might therefore cause tensions between groups among society (e.g. Foroohar, 2016; Kanbur & Stiglitz, 2016; Piketty, 2015a, 2015b, 2015c; J. Stiglitz, 2013; J. E. Stiglitz, 2018; Vallier, 2019).

<sup>14</sup> T-Memo\_1

<sup>15</sup> P\_17; I-Memo\_17

<sup>16</sup> P\_22; I-Memo\_22

*profits we make are kept for our shareholders. Of course, this system must change if we want to be part of this system in the future.”<sup>17</sup>*

The managers argue, that the way the corporations are operating their businesses, it is often (perceived) as only one-sided beneficial, for the corporation; the profits from their value chain's products are kept internally in the system of investors (shareholders) and the company, but other significant effects and the related costs, occurring from their operation, are externalized to the society. Those externalized costs are becoming, however, increasingly visible to other members of society. Consequently, the public attention to these issues, leads also to the critique towards the system as such.<sup>18</sup>

Yet, this tension is explicitly not a side note to the business itself; the managers argue that they observe an increasing demand by their customers, towards their companies to transparently report all impacts of the value chain of their products, first of all.<sup>19</sup>

*“Over the past decades, collective interests, such as environmental concerns, have not been at the forefront of consumers’ decision making, at least in most of our markets. This has changed completely. People are questioning the whole system nowadays. We must be very careful to not become the victims of our own growth and success.”<sup>20</sup>*

*“It never was sufficient to build a business by ignoring the external effects of doing business. (...) But it has never been so visible before, what the impact of doing business is. People are customers, but first of all they are human beings. As those, they care about environmental concern, climate change, inequality and so on. They deeply care. So must we.”<sup>21</sup>*

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<sup>17</sup> P\_2; Po-Memo\_2

<sup>18</sup> T-Memo\_4

<sup>19</sup> T-Memo\_10; T-Memo\_12

<sup>20</sup> P\_33; Po-Memo\_17

<sup>21</sup> P\_20; I-Memo\_20

All managers claim to observe the societal tension towards corporations overall, especially driven by the public perception of the systemic issue of internalized profits versus externalized costs. Consequently, the practitioners see two main issues, they are confronted with. First, the free-market, capitalistic system they operate in might be changed and those changes might lead to significant disadvantages to their business operations and as the ultimate consequence bears severe pressure to fulfil their *shareholders' expectations in the future*. Secondly, their customers are demanding increased *transparency on the effects* of their business operations and how those effects are treated and changed for the public benefit.<sup>22</sup>

This tension is becoming increasingly part of the managers' *daily challenges*<sup>23</sup>. They feel confronted with an array of complex (strategic) decision making, concerning the *integration and balancing* of their individual personalities, individual professional and organizational on-going activities and actions, leading to constant tension in *balancing individual and collective interests*<sup>24</sup>.

*"It became really tough: Ten years ago, you just thought about what's right for your business, i.e. how to increase financial gains through your activities. Nowadays, that isn't sufficient anymore. You must take more aspects for your decision making into account: Who do I affect with this, is there any harm to the environment when changing production procedures, what will the effect on my employees' morale and team culture be (...). Finally, as a dad, can I justify this decision in some years from now vis a vis my kids? (...)"<sup>25</sup>*

Noteworthy, all managers argued, that they align their individual personal values and actions with their individual professional ones by choosing the employer or company to work for explicitly by matching those values. I.e., they argue, that

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<sup>22</sup> T-Memo\_1

<sup>23</sup> Pre-Memo\_13

<sup>24</sup> T-Memo\_3

<sup>25</sup> P\_33; I-Memo\_33

joining an organization is beyond functional benefits such as salary etc., already a way of managing potential conflicting interests between personal beliefs and the organization they join.<sup>26</sup>

Yet, when in their professional role and making managerial decisions, the managers have to increasingly balance their company's and therefore their individual professional interest (financial value creation for their shareholders) and society's interest at large (being a stakeholder in the consequences of the firm's action, such as e.g. environmental harm, responsibility for work safety throughout the value chain<sup>27</sup>). Thus, managerial decision making is increasingly seen as making decisions and guiding the organization's activities in a way that is not the only beneficial to the firm individually, but at least acceptable for the broader society, the firm operates in – if not even beneficial to society at large.<sup>28</sup>

With increasing transparency on corporates' actions and the related consequences, through e.g. ubiquitous internet access and usage in the concerned markets, increasing expectations towards for-profit organizations regarding their overall impact on society and environment are becoming commonplace. The managers assert, that from their experience, any internal company information must be treated today as it would be public available information. Consumers have access to official but also to leaked, unofficial company information though online access to various platforms and websites.<sup>29</sup>. Also, an increasing amount of consumer-studies, (e.g. d'Hond et al., 2019; Marx & Garrido, 2015, 2017), provide increasingly empirical evidence that consumers demand from the brands they buy, that those brands, and the respective companies behind them, become *active members of society* and take on *societal challenges* and *explicit stands* towards current societal debates.<sup>30</sup>

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<sup>26</sup> T-Memo\_5

<sup>27</sup> Po-Memo\_16; T-Memo\_3

<sup>28</sup> T-Memo\_5

<sup>29</sup> P\_1; P\_2; P\_3; P\_5; T-Memo\_2; T-Memo\_5; I-Memo\_P2; Po-Memo\_2;

<sup>30</sup> T-Memo\_3; T-Memo\_20

*“Customers and consumers have a clear expectation towards the brands they consume: They must provide an authentic and provable clarification on what they stand for and how they action upon this. They must make explicit, what side they are on when it comes to climate crisis, unequal pay etc.”<sup>2</sup>*

*“New generations are growing up with high visibility of the systemic results of greed; the financial crisis, the refugee crisis, environmental crisis, climate crisis, extinction crisis etc. Those do and increasingly will directly affect their personal life. That requires us to prove we are on the right side, their side.”<sup>31</sup>*

Companies, as entities integrated with the networks of our society, do not only produce products and services as means to an end but moreover are *active members of societies*<sup>32</sup>. The activities companies imply in the societal system reach from providing employment and the consequent determinant factor of contributing to individual welfare, through wages, to externalization of effects of doing business, such as an impact on climate and environment in which we all, as individual members of society, live in. Thus, the managers argue, *good ethical and moral behaviour* is expected from those entities, as it is expected from all other members of society alike.

*“Our customers do expect us, to take a clear and integer stance, in-line with their value system, in-line with our societal value system and moral expectations. (...) Our customers expect us to prove this through our actions. It is not enough anymore to be compliant with legislation and publish a CSR report, and all will be good. No, you must prove your contributions with your daily actions, though your products and corporate behaviour. We must do things better.”<sup>33</sup>*

The managers express the high expectations they feel encountered with, regarding their responsibility to act ethically and morally on highest levels regarding their role as employers and executives of the firm, and through that,

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<sup>31</sup> P\_2; I-Memo\_P2;

<sup>32</sup> P\_4; Po-Memo\_4; T-Memo\_10

<sup>33</sup> P\_1; I-Memo\_P1

towards society at large. This seems to become increasingly important to them, driven by two main factors. First, as persons and individual members of society, they recognize that these tendencies and developments, probably caused by (the misuse of) the free-market, liberal, capitalistic system might lead to societal tension overall. E.g. in some markets, they observe an increasingly widening gap in wealth distribution and its consequences, fair-pay, educational access and gender equality (e.g.)<sup>34</sup>. Equally, managers must market in an increasingly crowded, saturated and highly competitive markets and categories. The highest levels of market saturation are probably paramount to most markets and categories they operate in.<sup>35</sup> Additionally, increasing raw material costs, increasing marketing investments, decreasing margins due to increased price-competition, a hyper-fragmented media world which demands new capabilities and capacities to invest in bring managers often under severe pressure.<sup>36</sup> This pressure is perceived by the managers as the main consequence of the growth ambition of companies, driven and pressured by stock-market and capital market expectations for short-term shareholder value.<sup>37</sup> This pressure, they argue, consequently, often leads to short-term, opportunistic actions by managers and corporate leadership and bears significant potential for misleading decisions regarding societal accepted, *good ethical behaviour as good corporate citizens*<sup>38, 39</sup>.

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<sup>34</sup> T-Memo\_16

<sup>35</sup> T\_Memo\_15

<sup>36</sup> Po-Memo\_30; T-Memo\_16

<sup>37</sup> I-Memo\_P35

<sup>38</sup> I adopt the common definition of *corporate citizenship* here (McEachern, 2015); corporate citizenship is about the “total actions of a corporation” (Mirvis & Googins, 2006, p. 104). Those actions are defined by core tenets: being a profitable corporation, being compliant with law and society’s uncodified moral and ethical standards, giving back to society at large (A. B. Carroll, 1998).

<sup>39</sup> P\_34; I-Memo\_P34

*“Here is the problem: I am expected to grow this brand in order to deliver profit. On the other side of the medal, I am expecting from myself, as a parent and human being in general, but also others expect from me, to do no harm. Not only do no harm, that isn’t sufficient anymore, but act for changing things for the better. That is, beyond my daily duties as a manager of (...) [the brand] very demanding and sometimes exhaustive.”<sup>40</sup>*

The managers express to feel those tensions of *balancing interests* in their personal private life, but moreover and explicit in their work-life. They feel *personally pressured* through the perception that the *growth aspirations* of their companies are harder to achieve as *competitive pressure* and market saturation have reached the highest levels on one hand. On the other hand, they are highly aware of current societal and political debates about (potential) limitations of economic growth, due to the climate crisis; the environmental impact of their actions (e.g.).<sup>41</sup>

The managers are squeezed on a binary continuum between delivering against their (jointly expressed) individual personal goals of *doing the right thing* in terms of ethical and moral behavioural and societal expectations towards consistent *good corporate citizenship* on one side; on the other side individual company objectives for increasing financial gain of the organization to ultimately *increase shareholder value*.<sup>42</sup>

This leads to severe, on-going tensions in their decision making and the management of the business-systems they operate in. Consequently, this establishes their main concern, of *balancing interests* in the short- and long-term between all stakeholders of the company. Their activities are signalled to the

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<sup>40</sup> P\_35; I-Memo\_P35

<sup>41</sup> T-Memo\_10

<sup>42</sup> T-Memo\_1; Po-Memo\_3; T-Memo\_20

stakeholders through the respective brand identity<sup>43</sup>. This tension and its causes are presented in Figure 25.



Figure 25 – Main Concern: Balancing collective and individual interest

#### 6.1.2 The core category: Activism, through higher-order purpose

To deal with this individual (*personal*), inner but also collective (*organizational*), expressive conflict, the managers advocate for an *active approach* to engage with all stakeholders, including explicit *society at large*, on a managerial and corporate level. Also, to make it more tangible to internal stakeholders and to external stakeholders alike, they express, that their actions must be reflected and visible on a single product or service level<sup>44</sup>. They argue that it is only through their own *active engagement* in *balancing interests*, that the expectations of all stakeholders, can be satisfied<sup>45</sup>. Thus, they claim to base their decision making not only on the individual interest of the company, but moreover on the collective

<sup>43</sup> T-Memo\_6; T-Memo\_20

<sup>44</sup> T-Memo\_3; T-Memo\_5; Po-Memo\_4; Pre-Memo\_3

<sup>45</sup> T-Memo\_16

interests of society as *stakeholder* and communicate this management-approach to the market, through, but not limited to, pro-active brand management and more importantly proof this branding by the initiatives, product development and corporate standards applied<sup>46</sup>.

This *active engagement* can then be delivered and become tangible to the stakeholders through an initial conscious, *structural value chain design* or, when done re-actively, with the rehearsal and *re-design* of the entire value chain of their produce (e.g. by defining standards for work safety, fair workers payment, environmental standards etc.<sup>47</sup>). The increasing transparency through *enhanced reporting on the societal impact* of the firm or other activities such as *re-naming job-titles* etc., which are tactical measures to increase the visibility of the *activist approach* to all stakeholders, may accompany such a (re-)organization effort of the organization and its value chain overall<sup>48</sup>.

Additionally, and noteworthy, the managers' *activism, guided by a higher purpose*, provides the benefit of potential brand (re-)positioning vis-à-vis consumers and consequently potential *differentiation* vis-à-vis competition, as not all companies act as *corporate activists* today<sup>49</sup>.

*"We managers face a significant advantage for the business by building our brands towards [collective] societal benefits; (...) it helps us bringing innovation not only from a product perspective, but from a commercial perspective: we can now innovate on societal benefits as well, which our competitors can't."*<sup>50</sup>

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<sup>46</sup> T-Memo\_1

<sup>47</sup> Po-Memo\_5

<sup>48</sup> T-Memo\_1; I-Memo\_P1

<sup>49</sup> T-Memo\_5

<sup>50</sup> P\_1; I-Memo\_P1

This concept of *activism*, in this commercial context, is foundational and repeatedly highlighted by all managers<sup>51</sup>. Only by being *active change agents* by themselves, and through their leadership, the entire organization itself, they feel enabled to resolve the tension of *balancing interests* permanently and in a lasting manner. Thus, they advocate for *activism* for joint goals within their organizations and alike externally to all stakeholders of the organization, including explicit *society at large*. Thus, through their personal *activism* and leadership, the managers can deliver against the on-going pressure and burden from decision making between *collective and individual interests*<sup>52</sup>. Consequently, the concept of *activism* has an internal as well as an external dimension. The internal dimension is related to all internal stakeholders of the organization (e.g. employees), while the external dimension relates to all external stakeholders of the organization (e.g. customers, suppliers, communities, shareholders). So, the foundational properties of *activism*, are internally and externally alike and moreover must be communicated, through the respective brand strategy, in a coherent and consistent manner to all stakeholders<sup>53</sup>. This is also becoming increasingly important the managers argue, as through the *increased transparency* of the organizations' initiatives and increased visibility of companies' actions at large (e.g. social supply chain conditions, environmental impact of products) are becoming more visible to the external stakeholders and internal stakeholders alike and therefore a *pro-active brand strategy management* is of the essence, in order to allow all stakeholders to form a coherent and consistent brand image of the organization<sup>54</sup>.

The concept of *activism* possesses the core attribute of *being driven by a higher meaning*, defined as a *higher-order purpose*<sup>55</sup>; an *elevated truth*, that the managers believe in personally and seek to pro-actively convey with the

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<sup>51</sup> T-Memo\_20

<sup>52</sup> T-Memo\_4

<sup>53</sup> T-Memo\_10; T-Memo\_5

<sup>54</sup> P\_2; I-Memo\_2

<sup>55</sup> T-Memo\_20; T-Memo\_25; T-Memo\_30; T-Memo\_33

respective business model, as a *vehicle for change*. This higher *meaning* is based on their individual values and objectives, yet directly related to their individual activities as executives and joint objectives of the organization. It so becomes *embedded in the organizational system* they operate in, through the managers' internally focused *actions and leadership*. The content of the higher *meaning* is based on their individual motivation to *create positive change*, at large, though their actions – as a personal reaction, in their role as executives, to *facilitate balancing interests*.

*"I do believe we are in privileged positions: Our daily actions have such an impact on all facets of society and environment, that we must live up to the highest expectations. If it's not us, then who? (...) We, as leaders of (...) [the company], act as role models. So, we must lead to change things for the better, otherwise nobody will follow, and the system we live in and benefit from might overcome itself. It is our duty to be activists for positive impact and it is in our very self-interest."*<sup>56</sup>

This need, to *create positive impact*, and to create a corporation's *higher meaning* by doing so, is associated with not only *balancing interests* but further to actively engage with *collective interest*, through the actions of the respective organisation<sup>57</sup>. This is an important difference to other concepts (such as i.e. corporate social responsibility (CSR)) as the *higher-order purpose* is foundational based on an *active component*, not a *passive one*. *Passive concepts*, the managers agree, focus mainly on e.g. reporting to increase transparency of organizational actions and their impact, while *creating impact* is about seeking actively change; *activism*<sup>58</sup>. This helps the managers to *facilitate balancing interests* and pursuing positive contributions, through delivering *pro-active actions* as *change agents*. The managers claim that the organizations' CSR initiatives are fundamentally *passive* and are focused mostly on *reporting measures* and *stating the impact* of doing business generically, rather than

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<sup>56</sup> P\_35; I-Memo\_P35

<sup>57</sup> P\_4; P\_5; I-Memo\_P11; P-Memo\_4; Po-Memo\_7

<sup>58</sup> T-Memo\_10; T-Memo\_15; T-Memo\_20;

*change activities.* The managers argue that CSR is perceived for them as a *passive concept*, while their idea of being an *active change agent* is about bringing the firms *higher-order purpose* to internal and external stakeholders alike, through *pro-active management*<sup>59</sup>. CSR in management's reality is to the executives, about *being compliant with rules and law passively*<sup>60</sup>. The managers explain that it is this explicit differentiation of *activism* versus *passive concepts*, namely CSR, which also should lead to increased financial performance of the firm overall. They argue that the activist nature to change *collective interests' challenges* will lead to an engaged customer base, which in return joins the *higher-order purpose* and therefore becomes repeating product or service purchasers. The managers perceive CSR initiatives not only as a *passive reporting and governance tool* in management but also – and therefore - as cost centre<sup>61</sup>. They do not see a direct financial gain for the firm, nor the shareholder, by applying CSR standards and practices<sup>62</sup>. They accept, that CSR as a reporting and governance concept is vital to the firm's reputation management overall, but only in a *passive and reactive manner*.

*"CSR is about being compliant with internal rules and external rules, such as local laws. But it is solely passive. It doesn't inspire our thinking, nor does it really impact any management decision in advance."*<sup>63</sup>

Further, the managers assert, that CSR is often not integrated into management processes and therefore not an integral part of managerial decision making. Rather, they argue, it is treated in practice as a separate activity of the firm, again, dealing with *ex-post rationalization* and argumentation of the firms' activities and the related societal and environmental impact of such.

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<sup>59</sup> T-Memo\_5; T-Memo\_12

<sup>60</sup> T-Memo\_10

<sup>61</sup> T-Memo\_3; T-Memo\_15; Po-Memo\_2; I-Memo\_2; Po-Memo\_20;

<sup>62</sup> Po-Memo\_2

<sup>63</sup> P\_15; Po-Memo\_15

*“CSR is a separate thing. It is what most companies do in order to explain their compliant behaviour as a corporate citizen. But it is not about being a good corporate citizen in the first place.”<sup>64</sup>*

*“(…)[Our] CSR activities are a reporting exercise. It isn’t part of the decision process as such, nor is it something that is embedded in our business model. CSR is about compliance and reporting on such.”<sup>65</sup>*

The concept, which allows the executives to pro-actively *balance interests* between the individual financial performance of the firm (to increase shareholder value) and *collective interests of society at large* is their *activism, through higher-order purpose*<sup>66</sup>. They are seeking to deliver a *positive impact* to shareholders and other stakeholders alike, not to choose between one or the other. While CSR initiatives, as they claim, often are just an ex-post justification of businesses' operations and their related impact, the actual *enhancement* of all stakeholders interests through the firm's activities can only be done through their *activism, though higher-order purpose*. This *activism* then will consequently lead to a better performance of the company overall and therefore not only have a positive impact on the firm's reputation (as CSR might aim to) but largely to the business case overall and therefore become the ultimate driver of financial performance – while satisfying other stakeholders' interests alike<sup>67</sup>.

The co-founder of Whole Foods market, the largest US-based organics supermarket chain, founded the Conscious Capitalism Federation, which seeks to promote purpose-driven businesses and their contribution to society at large. They also differentiate clearly and provide a clear definition, separating between a purpose-driven-corporation (what they refer to Conscious Capitalist businesses) and CSR, which is provided in Table 8 (Mackey, 2014).

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<sup>64</sup> P\_15; Pre-Memo\_16

<sup>65</sup> P\_23; I-Memo\_23

<sup>66</sup> T-Memo\_10; T-Memo\_20

<sup>67</sup> T-Memo\_20; T-Memo\_25

Corporate Social Responsibility	Conscious Capitalism
Shareholders must sacrifice for society	Integrates the interest of all stakeholders, [including but not limited to shareholders]
Independent of corporate purpose or culture	Incorporate higher purpose and caring culture
Adds an ethical burden to business goals	Reconciles caring and profitability through higher systems
Reflects a mechanistic view of business	Views business as a complex, adaptive system
Often grafted onto traditional business model, usually as a separate department or part of public relations	Social responsibility is at the core of the business through the higher purpose and viewing community and environment as key stakeholders
Sees limited overlap between business and society, and between business and the planet	Recognizes that business is a subset of society and that society is a subset of the planet
Easy to meet as a charitable gesture; often seen as "green-washing"	Requires genuine transformation through commitment to the four tenets
Assumes all good deeds are desirable	Requires that good deeds also advance the company's core purpose and create value for the whole system
Implication for business performance unclear	Significantly outperforms traditional business model on financial and other criteria
Compatible with traditional leadership	Requires conscious leadership

Table 10 – CSR versus Conscious Capitalism; source: Adapted from Mackay (2010, p. 38)

Overall, the managers agree, that CSR itself is a *passive* concept and does not directly relate to the idea of building and being a purpose-driven-organization, which is about pursuing *pro-active change* and *positive impact* and *contribution to society at large*. They assert, that their activities are fundamentally about *being change agents* or *activists* by themselves and their leadership is about to inspire others to join their purpose. Thus, the core category of this research emerged from the data, is labelled *Activism (through higher order purpose)*, as shown in Figure 26. It is the activities and actions of the corporation, delivered through its

members, which tries to balance conflicting interests of financial performance of the firm and the collective interest of society at large.

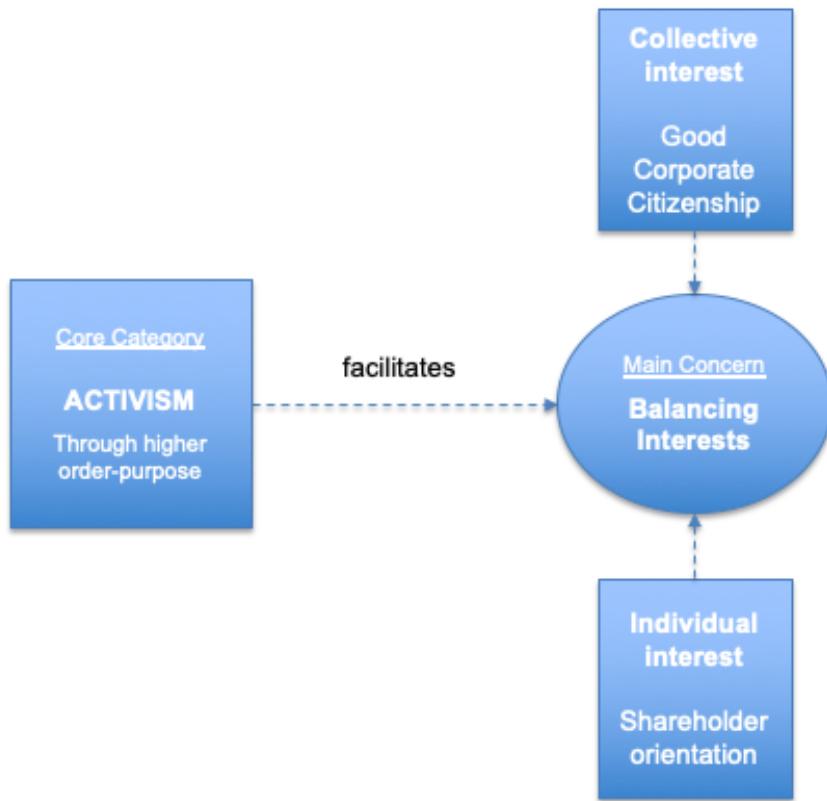


Figure 26 – The core category *Activism, through higher-order purpose*

*Activism* itself can be categorized as the *contribution* the managers are trying to make, in order to conquer their main concern (*balancing interests*). Then, the higher-order purpose becomes the underlying *intention* they want to deliver; higher-order purpose serves as strategic guidance to their activities. As such, the core category possesses two properties, which are integrated and dependent on each other but can explain two different aspects; the managers' actions (*activism*) summarize their actual initiative and managerial decisions to deal with their main concern, *balancing interests*. Higher-order purpose is the strategic dimensionalization of what content in which context those initiatives will cover and thus serves as the overarching, *guiding principle to their activism*<sup>68</sup>.

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<sup>68</sup> T-Memo\_20; T-Memo\_35; T-Memo\_40

### 6.1.3 Summary

The foundation of the theory of the purpose-driven corporation and brand strategy is embedded, in a systemic way, into the broader context of society at large, including various relations towards all stakeholders, internal and external alike. Putting a higher-order purpose at the centre of corporate strategy and its brand strategy is not only not contradictory to financial performance and shareholder value but can be foundational to long-termism in strategic corporate planning - and therefore actually increase financial performance and, consequently, shareholder value. This is because corporate purpose aligns strategically internally and provides a perspective and stand of the corporation to the stakeholders, through brand identity. Thus, higher-order purpose is enabled through leaders of the firm, who balance potentially conflicting interests, proactively taking a stance and delivering such stance through their personal and the organization's actions (activism). This purpose-driven leadership can create a purpose-led organization, which then affects all stakeholders, strategically aligned.

## 6.2 Purpose: A framework for managers; *balancing interests through Activism*

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After having explored the motivation and rationalization of managers to integrate *Purpose* to their business models, I provide below a contextual definition of what *Purpose* actually is, its tenets, properties and dimensions. As stated before, there is increasing acceptance, based on increasing evidence of the importance of the integration of higher-order purpose into strategic management and brand building, but uncertainty about the actual construct of such *Purpose*. This contextual definition will then allow relating the concept of *activism (through higher-order purpose)* with brand strategy and the brand identity concept.

As explored in the sub-chapter before, *activism* is at the core of the research findings, being repetitively mentioned by the managers as the driving motivation to build purpose-driven-brands and businesses. Yet, the property and concept of '*through higher-order purpose*' needs clarification and elaboration. As I presented in my initial literature review, there is no definition of what (higher-order) purpose is, nor its tenets nor constitutional properties and dimension. Although this lack

in joint understanding of higher-order purpose is also reflected by the managers, they actually do possess a shared understanding of the concept.

*“What is purpose? Well, unfortunately, it is still a fuzzy concept, for sure.”<sup>69</sup>*

Thus, I present the research findings of what purpose means, in the context of the before provided framework of *Activism*. Worthwhile to mention is the insight, that actually all of the managers shared their concern, that the absence of such definition leads in the current discussion about ‘purpose’ in the media to fundamental misunderstanding, misinterpretation and misguidance of purpose as a potential strategic tool for the firm and asset to brand identity management. They also repetitively highlighted the timely need for such a definition, as a base to build on further concepts in practice.

#### 6.2.1 A contextual definition of Purpose

(Corporate) purpose can be generically defined as the *reason for being* of an organization.

*“Purpose is about why a company exists in the first place.”<sup>70</sup>*

*“It is a concept of argumentation, explaining the foremost reason for the company’s overall reason for being.”<sup>71</sup>*

*“Purpose is about existence. In [our] context (...), it is giving us meaning to our actions, it is the reason why we are here.”<sup>72</sup>*

Thus, as a *reason for being*, every organization possess a (corporate) purpose *per se*. Purpose in the overall context of the firm does not have to be of any higher order. It can be generic and does not need to be related to any higher meaning

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<sup>69</sup> P\_2; I-Memo\_P2

<sup>70</sup> P\_1; I-Memo\_P1

<sup>71</sup> P\_5; I-Memo\_P5

<sup>72</sup> P\_12; I-Memo\_P12

or higher-order reasoning. It can be as plain as e.g. “*making lots of money*”<sup>73</sup>. However, as I explored in the initial literature review, there is agreement among scholars and also among the practitioners participating in this research, that the concept of *higher-order purpose* seems to be a constitutional necessity to organizations, as profit maximization, leading to over-simplistic, short-term shareholder-orientation, is not a motivational factor to stakeholders, beyond short-term investors. Thus, the higher-order purpose (*Purpose*) of an organization differs from the generic purpose of an organization.

*“Purpose, as we see it, is an imagery description of what motivates the organization towards joint action. Purpose is the descriptive expression of the societal and environmental impact your actions are delivering, while you are trying to achieve financial gain from your operations.”*<sup>74</sup>

In line with the concept of *Activism*, the organization’s *Purpose* is the descriptive explanation, which seeks to provide a strategic guidance to all stakeholders of the firm, about what the corporation is delivering against, beyond shareholder value orientation, explicitly as *contribution to collective benefit* of society at large, *constitutional* to the conceptual context of *Activism*.

*“Purpose is, simply put, where (...) [our company’s] objectives overlap with those of the society in which we operate. We must not forget that we are an institution, which is part of society. Society is not an abstract concept “of the others”. Society is all of us. People, companies, communities, political institutions and so on. So, we are all stakeholders to each other.”*<sup>75</sup>

The concept of *Purpose* is about the overlapping interest of the compound interests of all stakeholders, including society at large as general stakeholder, explicitly. Thus, *Purpose* is the *reason for being* of the organization, bound to the interest of all stakeholders of the organization. Then, all stakeholders’ interests should be considered when defining what *Purpose* is, to derive a business model,

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<sup>73</sup> I-Memo\_P35; Po-Memo\_20

<sup>74</sup> P\_20

<sup>75</sup> P\_1; I-Memo\_P1

which serves the expressed *intention*. Of course, also the individual interest of the corporation as another independent member of society – and therefore also just another societal stakeholder, with certain interests. The company itself, when seen as an entity of society alike, will introduce its own interests (e.g. to generate free cash flows for innovation investments, paying dividends to investors in order to be able to raise capital for investment etc.) into the set of all stakeholders demands towards the company<sup>76</sup>. When companies define themselves then as being embedded entities in the societies they operate in, *Purpose* becomes the common and shared *reason for being* of the organization, clarifying its role and *intention* within society at large.

*“Purpose is at the intersection of the organization’s capabilities and the social challenges and societal jobs to be done. It, therefore, is the overlap of business model’s outcome and societal needs at large.”<sup>77</sup>*

*Purpose* is beyond the concern of what the business shares with the society it operates in; *Purpose* is the implicit intention to the activities – *contributions* - (*activism*) of the corporation to *change shared concerns* to a positive state in the future.

*“Acting upon our purpose means that we behave, communicate and deliver against what society needs us to do. It is up to us, that we identify how we can change this world for the better, by doing business. Of course, we want to deliver also to our shareholders the return for investing their money into our business. But in the end, we are only then successful if we master the problems, we as society face.”<sup>78</sup>*

Conceptually, *Purpose* combines the concept of *activism* and societal demand towards corporations to take an explicit *stance*, which the company takes

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<sup>76</sup> T-Memo\_11

<sup>77</sup> P\_2; I-Memo\_P2

<sup>78</sup> P\_30

explicitly on societal issues or challenges<sup>79</sup> This *stance*, realized through *Activism*, will lead to the organization's produce being *meaningful to the customers* they serve and in return enable the organization to sell its products or services.

"Every conscious business has a higher purpose, which addresses fundamental questions such as: Why do we exist? Why do we need to exist? What is the contribution we want to make? Why is the world better because we are here? Would we be missed if we disappeared?" (Mackey, 2014)

Thus, *Purpose* is not a philanthropic or environmental concept as side-effect of doing business, it is at the *core of the business model*<sup>80</sup>.

*"Purpose inspires our actions. Purpose is fundamental to our business model. It is not something fancy we write on the walls of our meeting rooms (...). Our Purpose is at the heart of our business model, phrased in a way, that all stakeholders can understand what we care about, what or raison d'être is. It is foundational."*<sup>81</sup>

The conceptual idea of *Purpose* then is a prerequisite to shareholder value as well. If *Purpose* is at the core of the business model (as the underlying *intention* to the managers and corporate activities), it then places itself also at the core of share-holder-value-orientation.

*"When we introduced this thinking, the organization was scared of the [stock-] market's reaction. But the nay-sayers have been all proven wrong: The stock flourished, and we were confirmed by our shareholders,*

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<sup>79</sup> T-Memo\_5; T-Memo\_10; T-Memo\_20; T-Memo\_25

<sup>80</sup> T-Memo\_25

<sup>81</sup> P\_40

*especially from the larger investors among them, that they believe in our business, as they believe in our Purpose.*<sup>82</sup>

Consequently, by centring *Purpose* at the core of the business model, it is not contrary to the firm's goal of financial performance, in the context of shareholder value orientation. Rather, shareholders, as another stakeholder in the firm's activities, are profiting from financial performance, delivered through a purpose-driven-business model. As such, *Purpose* is not seen as a cost-disadvantage to the firm's financial performance, but as the enabler of growth and long-term, sustainable financial performance and company endurance<sup>83</sup>.

*"Purpose in business is about the provision of higher meaning to the self of the organization and deliver through this meaning activities which contribute to the outside world. At (...) [our company] purpose is about inspiring though a meaning-based business and changing the world for the better through our actions.*<sup>84</sup>

As shown in Figure 27, *Purpose* is consequently the foundational attribute to the concept of *activism* and becomes relevant and meaningful if it is derived from the *collective interests* of society at large. All activities of the corporation, executed through the members of the company, are then based upon collective interest, specified through the organization's *Purpose*. The activities (*activism*) of the company, signalled through the brand and proven by its business model, will then be the overall demonstration of its stance taken, against societal challenges.<sup>85</sup>

Concluding, an organization's *Purpose* is about higher meaning and the provision of such to its members, which allows and inspires them to act against challenges

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<sup>82</sup> P\_5

<sup>83</sup> Po-Memo\_3; I-Memo\_18; T-Memo\_20; T-Memo\_25

<sup>84</sup> P\_38; I-Memo\_38

<sup>85</sup> T-Memo\_20; T-Memo\_11

larenthen themselves, building a business to create a positive impact on society at large.

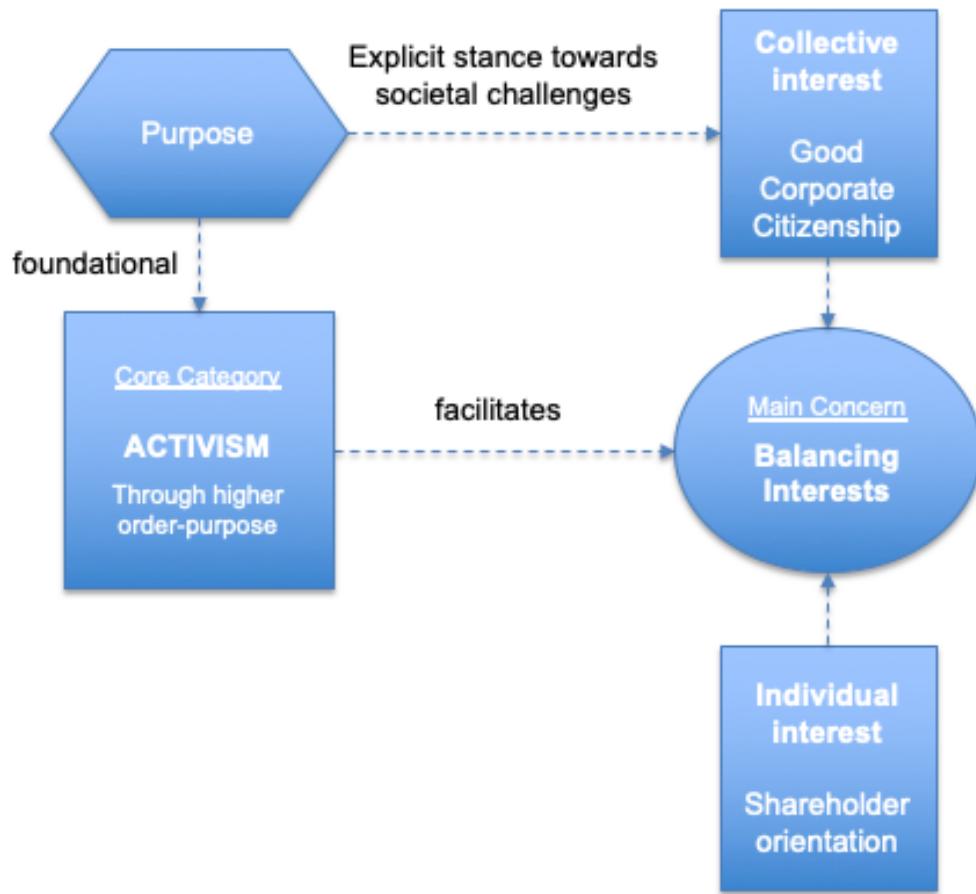


Figure 27 – Purpose, collective interest and Activism

*Purpose*, being contextually defined as taking an explicit stance towards societal challenges, can be dismantled further into three main sub-categories. These can be interwoven and somewhat interdependent, but overall are disjunct in their definition and should be made explicit in the description of the *Purpose* of the corporation. The first sub-category is about *environmental concerns* in relation to the overall production of the company. The second is about the *social impact* the company has. The ladder sub-category can be divided further towards *direct social impact* (through e.g. wages, working conditions) and secondly also to *indirect social impact*, e.g. the firm's engagement in the community and other social constructs of society at large, the company is embedded in, through its locations and activities. Finally, the third sub-category is the *financial* goal of the corporation. The *financial* aspect is covering, but not limited to, the financial gain

which is used to re-invest in the business model and also to serve shareholders' interests; but moreover, the financial gain could also be used for investments into philanthropic or other altruistic goals of the firm, importantly, directly related to the company's business model.<sup>86</sup>

*"The ideal Purpose is covering always three main aspects: Environmental, social and financial concerns. This concept allows us to ensure we are delivering against all stakeholders expectations and further can enhance our business model to satisfy also future expectations towards (...) [our company]."*<sup>87</sup>

*"(...) financial gains can be used to serve shareholders, but in our case also to re-invest into social and alike environmental aspects of our business itself. This is crucial: We do not support any external charity or secondary charitable institutions but try to constantly enhance our business model to serve society at large. Being a company driven by higher purpose means you use your business for changing things for the better."*<sup>88</sup>

As shown in Figure 28, the three elements are to be treated in an interdependent and connected manner. They are constituting *Purpose*, but only when treated with equal significance to the business model. Only then, all stakeholders are served also satisfactorily. Further, this is another important demarcation the managers assert against the concept of CSR; CSR itself is not including the financial aspect of generating profit through servicing collective interests on one side (at least in their practice) and on the other side not treating all elements equally to achieve an equilibrium between all three constitutional elements of *Purpose*. Nor is CSR treated, according to the executives, in a pro-active way to shape positive change against the status quo, towards a better future.

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<sup>86</sup> T-Memo\_28

<sup>87</sup> P\_18; I-Memo\_18

<sup>88</sup> P\_1; I-Memo\_1

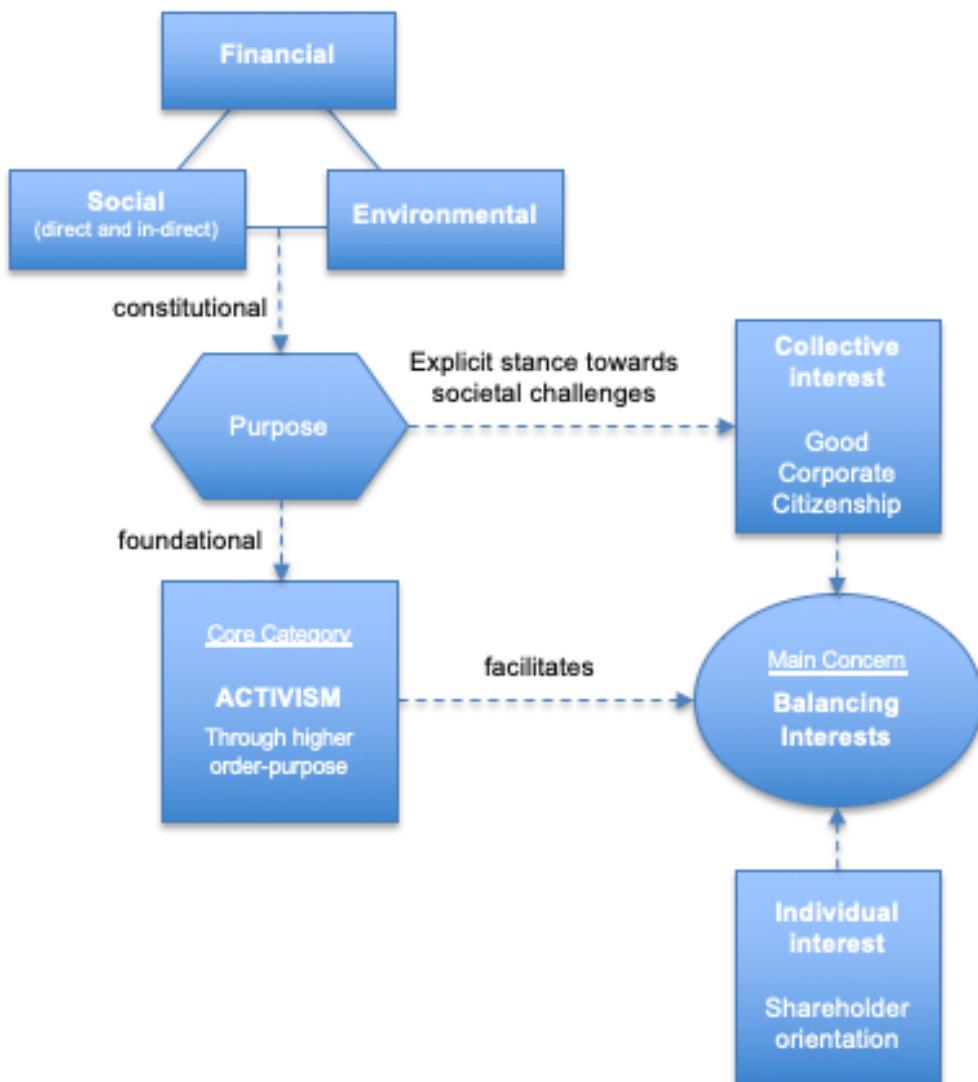


Figure 28 – The three constitutional elements of Purpose, embedded towards the Main Concern and Core Category construct of the GT

The concept of *Purpose*, as foundation for their *Activism*, is enabling the managers to achieve a balanced interest momentum, achieving a fair weighted management foundation to manage individual versus collective interests, through their business models and managerial decision making and leadership. Finally, the concept of *Purpose* allows the managers to build a strategic framework, matching the strengths and capabilities of their organization against the societal needs. Therefore, *Purpose* as such becomes a concept which can be acted upon.

(*active component*), rather than a concept (such as CSR) to be compliant with (*passive component*)<sup>89</sup>

*“Purpose is significantly different from CSR. The idea of any purpose-driven-company is to define the purpose first and then build a business model from it. CSR (...) is about justifications of the business model. Purpose is about building a business model. Purpose, as we see it at (...) [our company] is the inspiring image the world we imagine. The business model is a tool to arrive at this image.”*<sup>90</sup>

*Purpose* is the foundation, where entrepreneurs and managers deduct their business model from. That business model then is a structure, consisting of processes, capacitates and capabilities, which allows, through the managers' *Activism*, to generate value for the individual and deliver against collective interest, simultaneously and interwoven. As such, *Purpose* becomes the foundational principle of the managerial activities within the organization (*Activism*), to facilitate their main concern of balancing *interests*.<sup>91</sup>

Beyond the companies' own value creation activities and processes, explicitly the managers assert that the impact of the firm must be considered among the overall value chain of the firm's produce. I.e. the activities initiated by the company are not limited to the company's internal processes but must include also the company's external associated processes and activities, delivered through their partners, throughout its entire value chain. This should span across supplier networks (*in-bound activities*), but also towards customers, such as retailers and also consumers (*outbound activities*).<sup>92</sup>

*“It is not sufficient to just watch your own footprint. You must consider the overall footprint of your product and minimize the total negative effects,*

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<sup>89</sup> T-Memo\_35

<sup>90</sup> P\_35

<sup>91</sup> T-Memo\_16; T-Memo\_21

<sup>92</sup> T-Memo\_29

*associated with the production through the overall value chain. This includes managing suppliers but also our retail customers and educating consumers.*<sup>93</sup>

Concluding, *Purpose* is the foundation for the concept of *Activism, through higher-order purpose*. *Purpose* itself is about balancing three major categories, the corporation must engage with. Those categories are interdependent. The managers feel obliged, that they must also regard those three factors beyond their very own organization, i.e. also impact those elements at the adjunct partners and production steps throughout the entire value chain their business model requires, in-bound and out-bound. However, most importantly, *Purpose* differs from CSR as an active concept, i.e. it stirs action and guides managerial decision making within the business functions. It is explicitly not a separate or adjunct corporate function or model; it is explicitly not an ex-post but an ex-ante normative description of the business itself; it is embedded at the core of the business model. The business model then is a deduction from the corporation's *Purpose*. it is based on the chosen *Purpose* framework and its three constitutional elements; the business model, therefore, itself is a model to fulfil the *Purpose* model itself.<sup>94</sup>

*Purpose*, as part of the company's overall normative framework, then can be defined as a concept to actively engage with collective, societal challenges and the objective to achieve a better state for those challenges in the future, through the business model by conducting the corporate action and delivering at the same time returns to the shareholders. It is not, like CSR initiatives, about reducing the corporation's negative footprint. It is about changing the future state for all stakeholders, including the corporation itself, for the better, concerning explicitly the three constitutional elements of financial gain, direct and in-direct social

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<sup>93</sup> P\_15; I-Memo\_15

<sup>94</sup> T-Memo\_35; T-Memo\_40

affections and environmental enhancement of production and procedural affections.<sup>95</sup>

### 6.2.2 Defining the firm's individual Purpose: A framework

Following the exploration on the constitutional elements of *Purpose* and its foundational relation towards the concept of *Activism*, the following part shall outline the background, development and, overall, provide a normative framework of *Purpose* in the overall context of the corporation and the managers' main concern.

The managers argued that their company's individual *Purpose* is strongly related to their company's *founder's personal Purpose*. Entrepreneurial founders, generically, have been referred to as *being purpose-driven persons*, throughout this research, by the executives; in terms of taking a stance towards *collective interests* and *societal challenges at large*, in order to build business ideas against those challenges<sup>96</sup>.

*"It is probably the origin of the business idea as such: You seek challenges a large part of society, at least a significant part, is facing and then build your business case against to provide a concept to solve those relevant issues. If we look back in history, most successful entrepreneurs have acted this way."*<sup>97</sup>

The founder referred to as being exemplary for conducting this process, by the managers, is Patagonia's Chouinard, an outdoor clothing company based in the USA, founded in 1973<sup>98</sup>. He is referred to as an entrepreneur, who instilled his *personal purpose* into the organization from the beginning of the venture. The

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<sup>95</sup> T-Memo\_15; T-Memo\_40

<sup>96</sup> T-Memo\_25

<sup>97</sup> P\_34; I-Memo\_34

<sup>98</sup> Yvon Chouinard founded Patagonia as a sports-utilties company with special focus on sustainable outdoor activities and refers to himself as environmentalist and activist. Jointly, with his co-founder Vincent Stanley, he leads Patagonia and Patagonia's environmental initiatives until today.

managers assert, that the success of Patagonia is, almost exclusively, linked to its *Purpose* and how the organization actions upon (*Activism*), still today<sup>99</sup>.

Yet, not all companies are still founder-headed, of course. Some companies, being in business for more generations, some examples even over a century, most of them claimed, that their founders' *Purpose* has fallen behind the prioritization of short-term, monetary results over the past decades<sup>100</sup>. It is only since some years that corporate leaders reclaim to re-prioritize the company's *Purpose* over short-term financial results, i.e. reprioritizing long-term effects with an overall stakeholder orientation over short-term results with prioritized shareholder orientation and short-term thinking<sup>101</sup>. Throughout this research, as an exemplary manager, recovering and moreover revitalizing a company's original *Purpose* and being perceived as *being-purpose-driven* as person, who was referred to multiple times, is Polman<sup>102</sup>, the recent CEO of Unilever N.V.<sup>103</sup>. Thus, I focus some explanations in the following elaborations on those two corporations, as they are exemplary for many other corporations and brands which participated in this research. Further, those brands provide insights, which can be transferred to other brand strategies and organizations the managers also referred to (e.g. Airbnb, TOMS, Burt's Bees).

Also, Patagonia on the one hand, as a *founder-led corporation* is also applying a branded-house-strategy, i.e. the firm is the brand like other cases are. Therefore, Patagonia is an example which might lead to different suggestions with regards to building a purpose-driven brand than Unilever. Unilever follows a house-of-

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<sup>99</sup> P\_1; P\_2; P\_4; P\_5; P\_6; P\_9; ; P\_10; P\_12; P\_15; P\_20; P\_28; P\_32; P\_33; P\_35; P\_36; P\_42

<sup>100</sup> T-Memo\_12

<sup>101</sup> T-Memo\_1; T-Memo\_3; T-Memo\_7;

<sup>102</sup> Pohlmann, P. tenured as CEO the Unilever corporation from 2009-2018; He is a permanent member to the International Business Council of the World Economic Forum, former Chair of the World Business Council for sustainable development of the UN and Chair of the non-profit organisation B-Team.

<sup>103</sup> P\_2; P\_3; P\_5; P\_6; P\_7; P\_9; P\_10; P\_12; P\_15; P\_18; P\_20; P\_22; P\_28; P\_32; P42

brands strategy, i.e. the firm and its corporate brand (Unilever) are only communicated to the consumers as stakeholders in a limited way, while the single brands of the product lines (e.g. Ben & Jerry's) are put to the forefront of consumer communication and interaction (Kotler & Keller, 2012).

*"(...) Patagonia and Unilever alike, are masters in showing how being a purpose-based organization works. Both are profitable, in direct comparison to their peers even highly profitable companies, while leading their industries as good corporate citizens through their organization's respective purpose."*<sup>104</sup>

*"Both brands [Patagonia and Unilever] are exemplary in showing the world how purpose is actually not only a lofty management statement, but when done right, leads to inclusive welfare and prosperity, explicitly including shareholder's financial reward. The company, its stakeholders and actually, I'd say, all the world profits from their sheer existence – because they are truly purpose-driven companies; they do good by doing business."*<sup>105</sup>

The commonalities among both companies is that their *Purpose*-based business model spans all three constitutional core elements; *financial* gain, positive *social* impact and *environmental* impact enhancement. Also, both companies are referred to and claim for themselves, that being a *Purpose*-driven organization is the foundational system for their strategic imperatives, decision making processes and managerial actions derived. I.e. all processes and standards of their value creation, through production and service along the entire value chain, are judged against their *Purpose*-concept, in order to ensure that the daily actions and operations of the organization are in-line with the foundational system of their *Purpose*.<sup>106</sup>

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<sup>104</sup> P\_40; I-Memo\_40

<sup>105</sup> P\_23; Pre-Memo\_24

<sup>106</sup> T-Memo\_33; T-Memo\_40

The difference between the two examples is the fact that while Patagonia is still *founder-led*, Unilever is a *public-listed company* with over a century of history and the organization under different leadership during that period. The managers argued, that in the first place, it is the founder who injects the relevant, normative *Purpose* into the business model. Interestingly, all managers agreed on this, founding entrepreneurs themselves, but also employed managers.

*"It is always the founder first who brings the concept of purpose into the organization. Actually, it is their personal belief on how to balance their personal interest in building a company and making a living out of it with the societal needs they uncovered to build a business case against."*<sup>107</sup>

*"When I founded (...) [my company], I tried to strike a simple balance: What is it that matters to a large part of society and what is it that matters to me and how can I make money by conquering that challenge. I do believe it is that easy. So, purpose then, for me, is to strike the balance between my personal welfare and societies' welfare. It is the equilibrium between financial gains, social contributions and protecting the environment. And voila, this is our foundation"*<sup>108</sup>

Overall, the founder of the company is also, and that is similar to employed managers, trying to achieve an *equilibrium* between *individual interest* and *collective interest*. That is then *balancing interests*, between *shareholder orientation* and *good corporate citizenship*, as explored as the main concern of the participants in this study. Consequently, the founder is trying to balance these interests in a way, which allows to derive a model, as a base for their business.

*"The entrepreneurs who create the business define the original purpose of the business"* (Mackey, 2010)

This model consists of the triangle elements of *financial gain, direct and in-direct social affections* and *environmental concerns*, which constitute the *Purpose-concept*. This process is the prerequisite for developing a *purpose-driven-brand*.

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<sup>107</sup> P\_42; I-Memo\_42

<sup>108</sup> P\_13; Po-Memo\_13

The *Brand Purpose* then is describing the business model itself. Within such a corporate-branding strategy (as exemplar used here is Patagonia's branded house strategy), the brand strategy itself mirrors the corporate *Purpose* and the underlying, constitutional concept among the three elements.<sup>109</sup>

#### 6.2.2.1 Purpose in founder-led, branded house organizations

Patagonia's founder asserts that it is his personal observation of the destruction of nature and also the dysfunctionalities in working environments for people which led him to build a business which allowed him to personally live a good life (*financial*), but at the same time to change the way people treat the environment for the better by raising awareness of the issues and actively acting upon (*environmental*); and also to provide a working environment which allows individuals to prosper and grow personally, as well as making a decent living for themselves (*social*). Importantly, Chouinard continues, his approach integrates these three elements and therefore this integrative system becomes the business model itself.

“At the end of the year, we measure success by how much good we've done and by what impact we're having on society, not by profit”  
(Chouinard, 2018a, p. 8)

The overarching, conceptual idea is to ignite and drive change towards the chosen challenges by doing business, through the business activities (*active*); versus doing business and being charitable secondary (*passive*) (Chouinard, 2016; Chouinard & Stanley, 2012). Patagonia's *Purpose* is, “We're in business to save our home planet” (“Patagonia,” n.d., para. 1). Although critically seen, the social element of the corporation's *Purpose* is not made explicit in the *Purpose*-statement, the founder argues, that it is further detailed through the working environment he as a founder and moreover the managers of Patagonia, under his leadership, live and act upon; he continues to argue, that it is also made more explicit by the *Purpose*-statement's underlying description and explications (Chouinard & Stanley, 2012). There, the working place environment (*social* aspect) is described to be constituted by and through a, “... band of climbers and

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<sup>109</sup> T-Memo\_21

surfers" (para. 3), who want, "... to save the planet by finding much of the fun (...) in developing new ways to do things" (para. 7), and further to share the knowledge and drive positive change overall as, "... a big part of Patagonia's mission involves public engagement" (para. 14), to inspire other businesses and leaders ("Patagonia," n.d.). Chouinard (2018b) further explains, that with regards to building a purpose statement, it is of the essence to keep the variety among stakeholders' interests in mind. He argues that the formulations and descriptive imagery were chosen to describe the company's *Purpose* is an on-going process in order to enable all current stakeholders to relate to that image. Yet, he argues, that the core (i.e. the three constitutional elements of the *Purpose*-concept) stay the same and endure over time. As such, the description of the *Purpose* might adapt over time, while the essence of it shall be constant. Therefore, also the actions derived, and initiatives built can and shall vary over time but guided by the strategic clarity the *Purpose* provides to the organization. Chouinard (2018) refers to the constant, guiding principle of the *Purpose*-statement as being the essence of the brand of the corporation. He argues that it is this guiding principle, delivered through a strategic description with a *Purpose* statement, which is what all stakeholders align to. The brand strategy is delivered through the positioning of the brand towards the stakeholders and consequently then, dependent on the *Corporate Purpose*-statement, the *Brand Purpose* becomes the originating statement of the brand strategy itself.

Assessing Patagonia's strategic approach to build and realize a purpose-driven-brand, it appears, that it is not the business model which is directly communicated to the stakeholders. It is only through the positioning of the brand strategy, that the business model is marketed itself. Overall, then, the brand strategy is the ultimate transcendence from *personal purpose*, through *Corporate Purpose* to build an *imagery description* of what the company is about and why it exists; the *Brand Purpose*. It becomes actionable through the business model, but the brand serves as a tool for strategic aligned *communication* and *demonstration* of what the organization is in total about. The actions (*Activism*), initiated and delivered by the managers and employees of the firm, are then a tangible proof of the in-

tangible brand, centred around the *Brand Purpose*-statement<sup>110</sup>. It is consequently the organization's members activities, based on the managerial decisions initiating such action plans, which will make the intangible *Brand Purpose* accessible for the brand's stakeholders.

*"For us, marketing isn't about moving goods. It's about moving people. (...) [With Patagonia's Black Friday campaign "Don't buy this jacket"], the intent was to encourage people to reflect on what they buy and to buy only what they need. The best thing you can do for the environment (...) is to buy the very best quality, use it as long as possible, and keep it out of the landfill. (...) That campaign forced us to make a pact with our customers: If you buy (...) [one of our products], we'll repair it forever. If you outgrow it or stop using it, we'll help you to sell it to somebody else. Eventually we'll take it back and melt it down into more (...) [products]."*(Chouinard, 2018a, p. 14)

The purpose-driven-brand is a metaphysical, intangible construct, aimed at achieving a strategic and coherent image of the corporations *Activism*, at the stakeholders' mind though the brand image created; it is detailed further through communication activities of the brand, but moreover made tangible through the operations and initiatives within the business model and its execution. As illustrated in Figure 34, the brand strategy of the purpose-driven brand is as such dependent on the business model (described through the *Corporate Purpose*-statement) and its tangible outcomes but constituted by the three elements of the *Corporate Purpose* concept as guiding principle.<sup>111</sup>

The case elaborated by the example of Patagonia provides elementary and transferable insights on how the founder's personal *Purpose*, through personal experiential knowledge, can lead to a business model and how the concept of the triangle of the conceptual *Corporate Purpose*, and its constituting elements, can provide a framework for building a lasting business. As shown in Figure 29, this process is then summarized, by imagery, descriptive statement which guides the

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<sup>110</sup> T-Memo\_15; T-Memo\_2; Po-Memo\_2

<sup>111</sup> T-Memo\_20; T-Memo\_25; T-Memo\_34

brand strategy development overall. The above-discussed insights and elements are repetitively and constantly mentioned by the managers, the founder-led organizations among the ones participating in this research, mirrored the same process for developing their firm's *Brand Purpose*.<sup>112</sup>

*"We define the brand strategy as a transformation of hard-sided business processes, core to our business model, into an imagery description of such. (...) Purpose, with regards to brand strategy, is just a reflection of the purpose guiding the business model at its core. It is a summarizing description of why we do what we do and therefore what we believe in."*<sup>113</sup>

*"The brand strategy is a translation of our business. So, when the business is based on a higher purpose, so is your brand."*<sup>114</sup>

*"We define ourselves as a purpose-driven-brand. By that we mean, that we try to reflect to our consumers, our business partners and also to our employees, why we exist and what motivates us. The brand to us is a tool to communicate our business-purpose. But it becomes accessible to the stakeholders through our products and services and overall actions."*<sup>115</sup>

The brand strategy itself becomes the intangible, imagery description, summarizing the business model, through its *Corporate Purpose*, and making it communicate-able to all relevant stakeholders. Consequently, the acclamation of building a purpose-driven-brand is fundamentally based on the *Purpose*-concept's constitutional elements in the business model itself. Only through the application of the constitutional *Purpose*-elements to the business model, the activities and strategic imperatives derived by the organization's leadership will enable the provision of the imagery, metaphysic description of such. This

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<sup>112</sup> Po-Memo\_40;

<sup>113</sup> P\_15; Po-Memo\_15

<sup>114</sup> P\_35; I-Memo\_35

<sup>115</sup> P\_1; I-Memo\_1

imagery, intangible description is the essence of the brand strategy then.<sup>116</sup> The process from personal purpose to Corporate and Brand Purpose is shown in Figure 29.

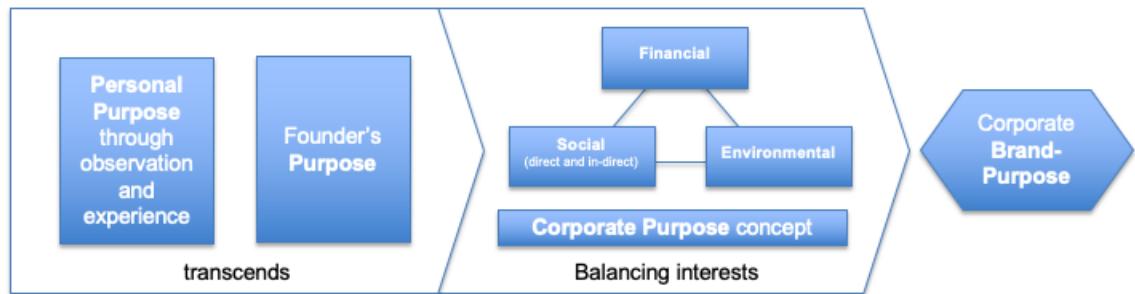


Figure 29 – Founder's personal purpose and its transcendence into a business model by balancing interests leading to the concept of Brand Purpose

However, this model might be limited to a founder-led organization and secondly may only apply to a branded-house-brand strategy.<sup>117</sup>

#### 6.2.2.2 Purpose in non-founder-led, house of brand organizations

Regarding non-founder led organizations, with a house-of-brands-strategy, such as e.g. Unilever, the intellectual process to arrive at the *Purpose-triangle* can be comparable overall, yet with some differing elements at the beginning of the process, given the founder's personal *Purpose* (developed through the founder's personal observations and personal experiences) might not be matching the current challenges or its underlying patterns, or might not be *accessible* (anymore) in full transparency to the organization's current leadership.<sup>118</sup>

*“Most companies we are currently supporting through our process [to discover their Purpose], are taking two approaches. First, they go back to the origins of the company and try to rebuild what the founder’s Purpose was. But secondly then, they apply market research and take available*

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<sup>116</sup> T-Memo\_15; T-Memo\_20; T-Memo\_35; T-Memo\_45

<sup>117</sup> T-Memo\_41

<sup>118</sup> T-Memo\_16

*models, such as the SDGs [Sustainable Development Goals<sup>119</sup>] and match their brand portfolio against those societal challenges and seek out the overlapping causes to pursue and build their own Purpose model against.”<sup>120</sup>*

Unilever, exemplarily mentioned by the managers, matched their founder's *Purpose*<sup>121</sup> with current societal and environmental challenges, structured with the help of the SDG-framework. The organization matched its brand portfolio against this developed framework and sought out, which brand shall conquer which SDG(s). Thus, the company wanted to ensure, that they stay true to their founder's *Purpose* but moreover to provide an updated version, which is scalable across their brands and reflects the current issues and *challenges of society at large*. Although this process is still on-going, the majority of Unilever's brand portfolio has been now restructured in order to serve a brand-specific *Purpose* ("Unilever's purpose-led brands outperform," 2019). Again, the *Purpose* of each brand, but also of the corporate brand, is based on the conceptual triangle of matching *financial gain, in-direct and direct social challenges and environmental challenges* (De Swaan Arons et al., 2014). However, interestingly, the corporate brand's triangle can differ from the single brand triangles in detail and scope<sup>122</sup>. Although each brand must provide a strategic relation to all three constitutional

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<sup>119</sup> The Sustainable Development Goals (SDGs) are an initiative from the United Nations, which aim at providing businesses and institutions a framework to fight global social and environmental challenges in an efficient manner. The objective is to use businesses and other non-governmental institutions to join actions against global challenges until 2030 ("United Nations' Sustainable Development Goals," 2018). The UN's SDG-initiative can be accessed at <https://www.un.org/sustainabledevelopment/sustainable-development-goals/> (retrieved March 2<sup>nd</sup>, 2019).

<sup>120</sup> P\_35; I-Memo\_35

<sup>121</sup> W. H. Lever, co-founder of the company, addressed the purpose of the organisation as "To make cleanliness commonplace; to lessen work for women; to foster health and contribute to personal attractiveness, that life may be more enjoyable and rewarding for the people who use our products"("Unilever: Our History," n.d.)

<sup>122</sup> T-Memo\_14

elements of the *Corporate Purpose*, it might be, that they are not equally structured. I.e. a single brand can take on a e.g. specific SDG, such as e.g. "Clean water and sanitation" for a household-cleaning brand, while the overall *Corporate Purpose* is structured to cover all sub-defined single-brand-Purposes. This strategic matching of single brands with single *societal* and *environmental challenges*, in this case structured through the application of the SDG-model, allows to engage with a specific objective, while still taking all three elements of the *Purpose*-concept into account; the brand itself must generate *financial* gains, the *in-direct and direct social challenge* associated with the SDG must be strategically approached through the brands actions and the *environmental* aspect of fulfilling the SDG must be tackled as well.<sup>123</sup>

*"Any brand strategy is a tool to communicate about what you are doing to the relevant stakeholders, be it customers or whoever. The difference is that a brand purpose in strategy can only be applied if it is reflecting a business, which is fundamentally driven by higher meaning and a higher purpose. If this purpose is essential to the business itself, the purpose becomes also then meaningful in branding."*<sup>124</sup>

*"(...) look at Danone and Unilever, the brands which are marketed as purpose brands must be based on a business model which is driven by a higher purpose. (...) This is what they do. They start on the top and break it down: Secondly, those brands must contribute in a relevant matter to the company's overall purpose. It is systemic and interdependent."*<sup>125</sup>

As shown in Figure 30, Unilever's global strategy, called 'sustainable living plan', is adapting the founder's original *Purpose* to a version reflecting today's *Zeitgeist* and societal challenges ("to make sustainable living commonplace"), but also detailing it further, by applying 14 (out of 17 in total) SDGs to three major, strategic arenas (Aldwinckle, 2017; "Unilever: About Our Strategy," n.d.). These

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<sup>123</sup> T-Memo\_36; T-Memo\_41; Po-Memo\_36

<sup>124</sup> P\_40; I-Memo\_40

<sup>125</sup> P\_12; I-Memo\_12

are then assigned to the single-brand level, while a single brand might cover one or more SDGs, and the single brand's *Purpose*, again constituted by the three elements (financial, social and environmental) must be answered explicitly through its *Purpose* strategy. This strategy then is the foundation for the manager's actions (*Activism*) within the single brand's business model. As in the case of the founder-led, branded-house-strategy, the business model's constitutional *Purpose*-elements are foundational for the activities and strategic imperatives, initiated by the managers working on the brand. As in the other case, the business model, centered around the corporate *Purpose*, will then be translated into an imagery description and become an intangible element of the business model. This element is sought to be the vehicle and fundamental managerial tool to communicate the business model, constituted by *Purpose*, to the relevant stakeholders.<sup>126</sup>



Figure 30 – Unilever's sustainable living plan strategy; Illustration by Unilever N.V. ("Unilever: About Our Strategy," n.d.)

Concluding on Unilever's *Purpose*-strategy, the process the organization applies is starting at the founder's original entrepreneurial *Purpose* but updated through

<sup>126</sup> T-Memo\_15; T-Memo\_26

a structured and adaptable process. This process takes current societal and environmental challenges into account, is transparent to all stakeholders and delivers a framework, which is an integrative strategic management framework based on the three constitutional elements of *Purpose*. Out of this process, the corporation's overall *Purpose* will be defined first (*Macro-level*). Further, the model allows the company to down-scale and further precise its contribution by re-applying the process to every single brand's business case in the portfolio (*Micro-level*). This process is shown in Figure 31. As such, the relation between the corporate's overall *Purpose* and the contribution by each portfolio brand is assured.

*"Purpose is built against the current challenges the macro-environment encounters your community with: Once you built a [business] model, that allows you to make money, do good to the environment and take on a societal challenge you want to solve, you'll have found your company's purpose. In a second step, you can then break this overall concept down into the relevant, brand-specific measures by re-adapting the corporate concept to the micro-level of the brand's singular, specific business case."*<sup>127</sup>

Also, while the *Corporate Purpose* should serve as the foundation for the organization's overall activities, (*Activism*), the managers on every single brand can build more focused and brand-adjusted strategic imperatives and initiatives through the brand's respective, distinctive brand-*Purpose* concept.<sup>128</sup>

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<sup>127</sup> P\_35; Po-Memo\_35

<sup>128</sup> Po-Memo\_35; T-Memo\_15; T-Memo\_36; T-Memo\_37

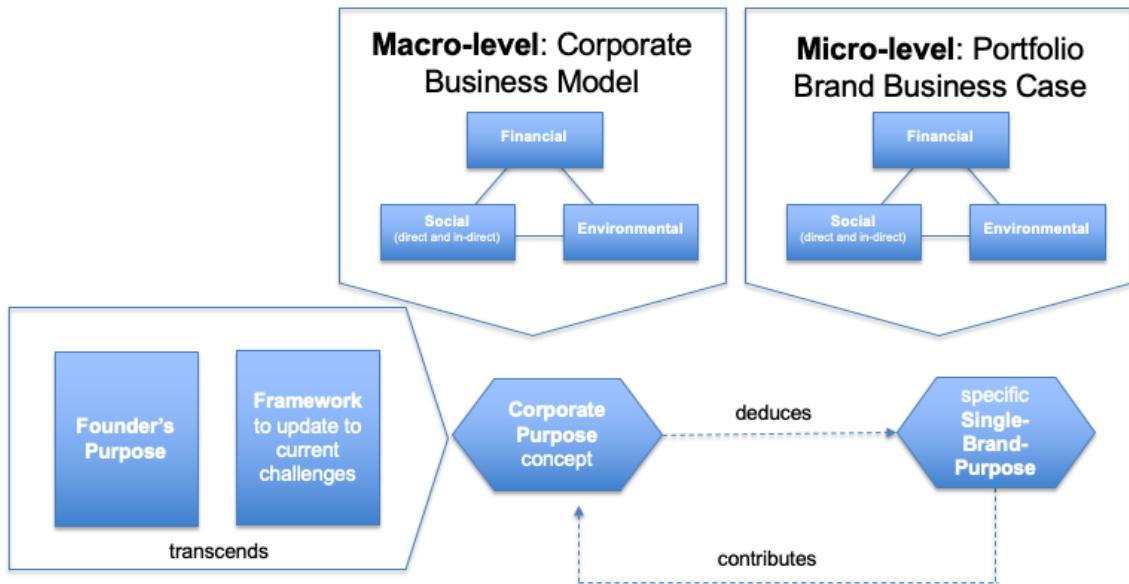


Figure 31 – A framework for the process of building a *Purpose*-driven-brand portfolio

This integrative process then leads to a layered model, shown in Figure 32, which allows a multi-brand company to build an integrative business model, which is led by the corporation's overall, universal *Purpose* and the business model derived from it; while the single brands, in their respective market, segment or category can deduct from the corporation's *Purpose* their single-brand-*Purpose*-conceptualization. This concept then is allowing the brand to deliver a more specific, brand-business' adjusted version of the overall organization's *Purpose*, within the overall business model as a distinctive business case. On the other hand, the single brand's specific *Purpose* is simultaneously contributing to the corporation's overall *Purpose*, through its distinctive *Purpose* but at the same time become more relevant to the brand's specific business case.<sup>129</sup>

<sup>129</sup> Pre-Memo\_38; T-Memo\_36; T-Memo\_37

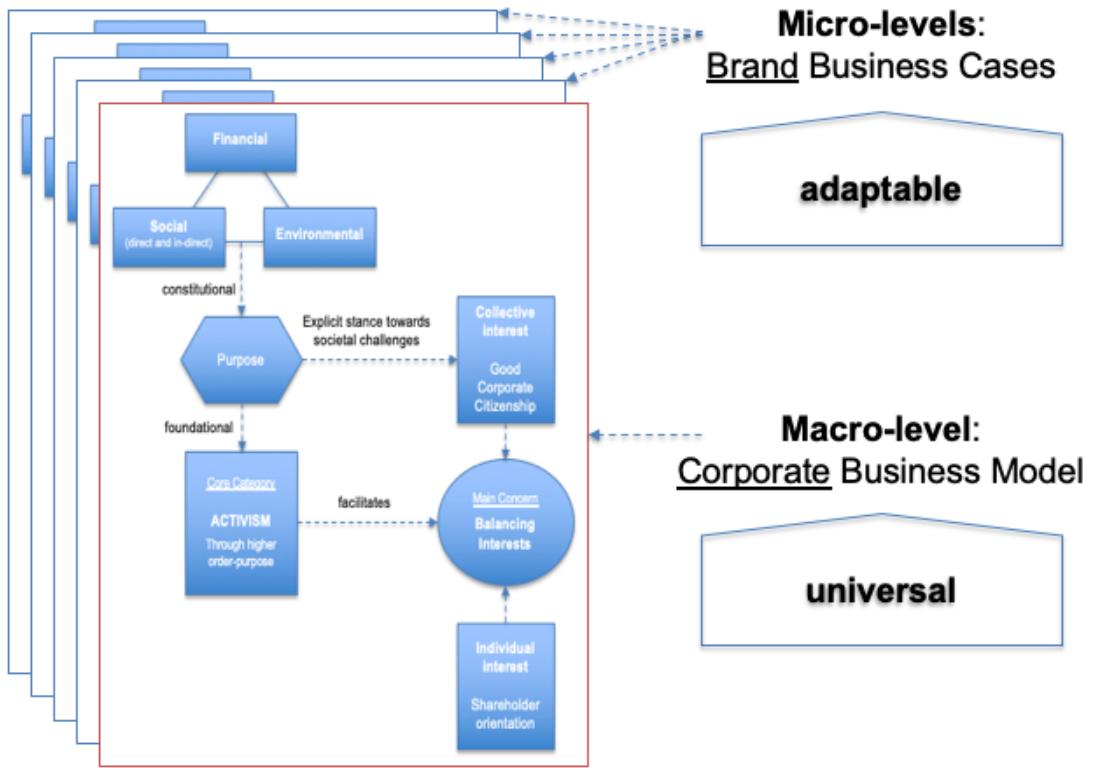


Figure 32 – Multi-layer model of Purpose in multi-brand organizations

Noteworthy, this model further allows to adapt to future, or locally specific, challenges a company can take on and build a business case against, on a brand-specific level. The corporate *Purpose* serves as foundation then for deducing new concepts and introduce new *Purpose*-driven single-brands into the market under the roof of the firm's overall *Purpose* (or eliminate single-brands from the portfolio, which do not match expected future challenges).<sup>130</sup>

*“Building a purpose serves in two ways: First, it allows to enhance current business cases on a brand by brand level, but secondly it also allows to explore future challenges or upcoming new challenges with new business cases. It is significant to brand-portfolio management as a foundational, strategic imperative to the organization.”*<sup>131</sup>

Importantly to this multi-layered model for organizations, applying a house-of-brands strategy (such as the above explored example of Unilever), is that the

<sup>130</sup> T-Memo\_16

<sup>131</sup> P\_15; I-Memo\_15

process of the overall transcendence beginning with the initial insights on societal and environmental challenges to take on, leading to the constitutional three elements underlying the *Purpose* of the business model, are then also further transcended to the *Purpose-based* brand strategy. It is of the essence, that the brand strategy, as a result of this systemic development, is coherent not only with the business model but moreover still clearly connected with the initial challenges chosen and framed in the corporate *Purpose*. Although the brands could differ in their singular brand-purpose, they must be all coherent with the overall corporate *Purpose*. Only then, the construct will be enabled as an integrative construct of different brands, strategically aligned to fulfil a joint organization's *Purpose* and provide what the managers refer to as higher meaning.<sup>132</sup>

### **6.2.3 Conclusions: From balancing interests to brand purpose**

As explored above, there are managerial implications which differ among the attribute of the company regarding being a founder-led and a non-founder-led organization. Also, there are differences and managerial implications, when it comes to the process of constituting the three elements of *Purpose*, depending on the chosen brand strategy of the organization. Yet, the constitutional elements and properties, which ultimately lead to the foundational concept of *Activism (through higher purpose)*, are the same and will be summarized below in two major procedural steps. First, it is elementary that the corporate Purpose-concept is defined. Then, and only then, the transcendence of such into a social construct, i.e. the brand, can be undertaken.

#### **6.2.3.1 Defining and constituting a higher purpose for the corporation**

Despite the operational, procedural and potentially managerial differences in the execution of the *Purpose*-concept, the similarity among both strategic, systematic organizational setups is that the business model needs to be essentially based on a higher-order purpose, which is constituted by the three identified elements of financial gain, social and environmental positive impact. Importantly, all those elements need to be aimed at pro-actively changing a current state to a more positive state in the future. This dimension of the *Purpose*-concept is essential,

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<sup>132</sup> T-Memo\_20; T-Memo\_36

as it is foundational for deriving strategic initiatives to act upon and make the intangible model tangible through actions. In the first instance, the founder of the executive leadership team of the organization will define the triangle among the interdependent, constitutional elements of the corporate purpose and may summarize this model into a corporate *Purpose*-statement of the organization. This model then is foundational for the managerial actions and derived initiatives, which includes building a brand strategy overall<sup>133</sup>. This process is added to the emergent, systemic, theoretical model of *Activism*, *through higher-order purpose* in Figure 33.

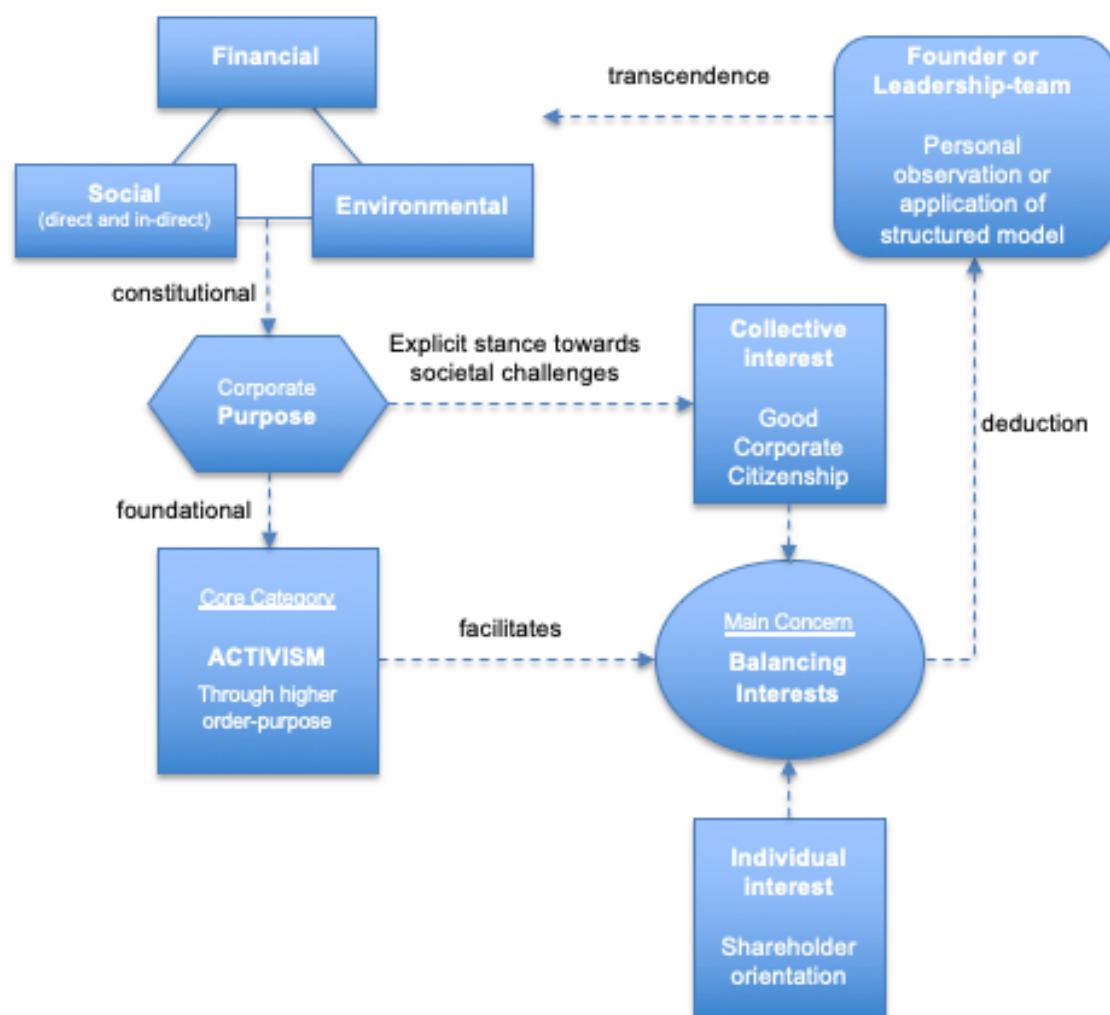


Figure 33 – The transcendence from generic higher purpose to *Corporate Purpose*, through the strategic, constitutional *Purpose*-concept

<sup>133</sup> T-Memo\_35; T-Memo\_40; T-Memo\_45

### 6.2.3.2 The derivation of Brand Purpose from Corporate Purpose

Fundamentally, the systemic underlying pattern for *Activism (through higher-order purpose)* becomes only actionable through its shared understanding by the stakeholders of the organization, especially from the stakeholders, who execute, or are involved with an execution, of the managerial initiatives carried out by the company or its affiliates. Those stakeholders are explicitly found beyond the company's own employees and span across the entire value chain of the company's produce. Thus, the mutual understanding of the *Purpose*-concept, communicated through the *Purpose*-driven brand strategy, is essential to all associated stakeholders.<sup>134</sup>

To build such a brand strategy, an integral part of the strategic, managerial processes within the set of activities of the *Purpose*-driven organization is to derive a metaphysic, imagery, descriptive construct of the constitutional *Purpose*-concept of the firm, which then becomes the essence of the brand strategy. Importantly, this basic process is unbound of the organization's chosen brand-architecture. The corporate *Purpose*-concept serves foundational not only then for the generic activities and decision-making processes by the managers, but moreover as a blueprint to transcend the business model into the sought brand strategy. Thus, a brand strategy can only be attributed to be *Purpose*-driven (or possess a *Brand Purpose*), if the underlying, systemic model of the business is centred around a higher corporate *Purpose*-concept. This relation is dependent, i.e. there could not be a concept of a *Purpose*-driven-brand if there is no corporate *Purpose*-concept constituted beforehand. Then, the derivation of the brand strategy is a tool, established by the managers of the firm, to communicate the corporate *Purpose* to the stakeholders. It will be the transcendence of such corporate *Purpose* into the brand strategy, only, which is then referred to as *Purpose*-driven-brand (or *Purpose*-brand).<sup>135</sup>

Finally, then the *Purpose*-driven-brand is a dependent construct, initiated by the managers' transformation of the corporate *Purpose* into an intangible,

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<sup>134</sup> T-Memo\_41; T-Memo\_48

<sup>135</sup> T-Memo\_35; T-Memo\_45; T-Memo\_48

descriptive, imagery summary. This *Brand Purpose* is the essence of brand strategy (of a *Purpose-driven* brand). The updated, systemic, theoretical model is shown in Figure 34.

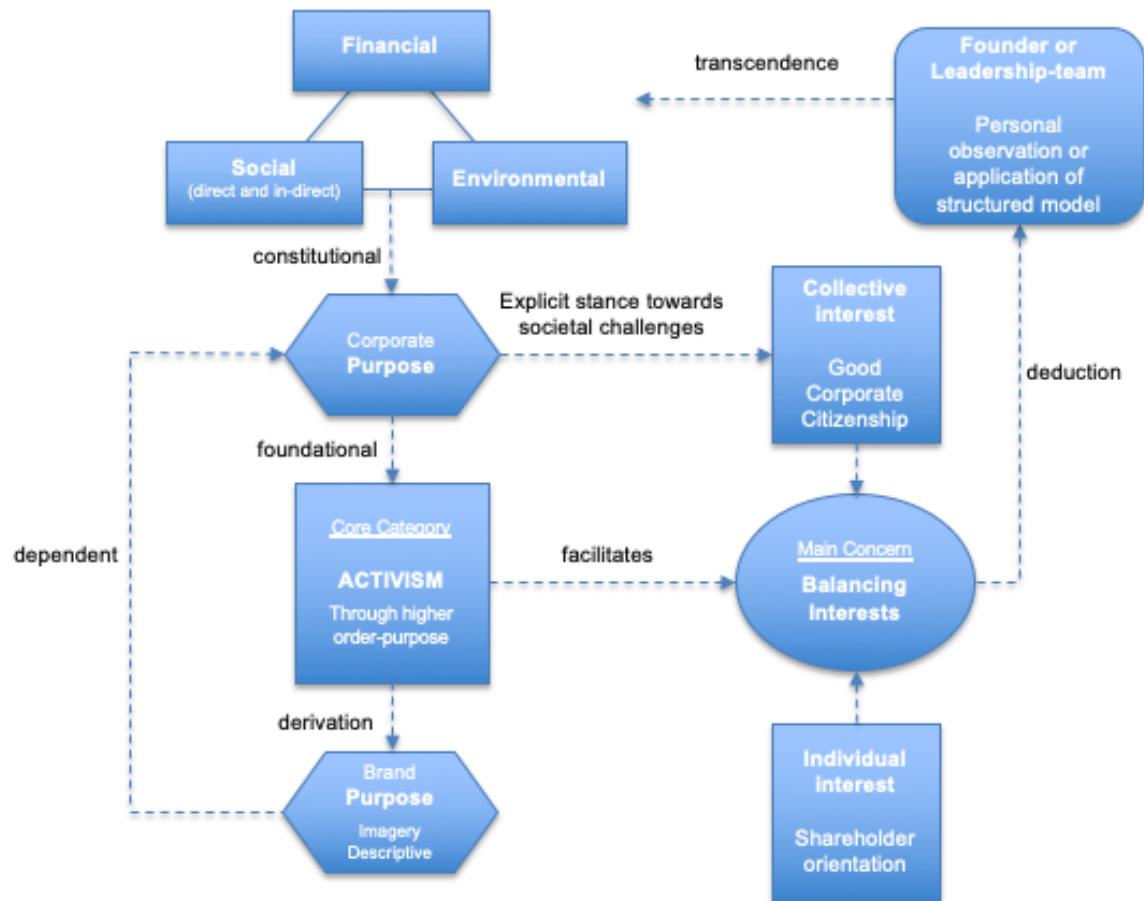


Figure 34 – The derivation of *Brand Purpose* through the manager's action is dependent on the *Corporate Purpose*

#### 6.2.4 Summary

The emergent theoretical model provides the reasoning behind the concept of being purpose-driven as a for-profit company and moreover its constructs, tenets, properties and the explanatory relations between the single elements. Based against the overall main concern of this GT, the organizations' leadership is trying to *balance interests* by providing a strategic framework or joint, strategically guided and principle-based, *Activism, though higher-order purpose*. The core category summarizes the organizations' members activities and managerial decision-making processes, aiming at an integrative, cohesive and inclusive way

to contribute through business' activity to individual but also collective welfare. As such, three constitutional elements have been identified, which need to be actively chosen by the organization's leadership, as constitutional properties of the *Purpose-concept*. The *Corporate Purpose* is based on the triangulation of *financial* gain, in-direct and direct *social* impact and *environmental* impact of the firm's activities. The objective is to provide a normative framework to guide the managerial decision-making processes by ensuring that their impact and the outcome of the firm's value creation process can satisfactorily conquer the challenge of *balancing individual and collective interests*, through conducting business operations, being a *Purpose-led* organization.

The corporate *Purpose* then is foundational to the organizations' activities and operations, carried out through the managers and employees' activities (*Activism, through higher-order purpose*). As part of their actions, the managers can then derive a brand strategy, as a tool for communication among all stakeholders about the business model. This brand strategy should centre around the *Purpose-concept* but transcend as such into *imagery and descriptive concept*, which is communicate-able to the stakeholders. Importantly, only when it is centred around the *Purpose-concept* of the firm, it consequently can be referred to as a purpose-driven-brand. This establishes the dependent relation from *Brand Purpose* to *Corporate Purpose*.

### 6.3 How it relates: Corporate Purpose, Brand Purpose and brand strategy

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After the exploration of the *Purpose-concept* and the establishment of its relation to brand strategy, the following part shall re-connect brand identity theory, whose theoretical foundations are provided in the initial literature review. As all managers claimed to apply brand identity theory as foundation to their brand strategy, this part shall synthesize the theoretical background with the emergent GT.

Yet, as part of my research, it became clear that there is confusion among practitioners, as well as a significant lack of clarity in the theoretical body of knowledge, on how 'purpose' overall would fit a strategic, guiding framework of the firm. As explored in the initial literature review, beyond 'purpose', there are further concepts, such as 'mission', 'vision' and 'values' which are sometimes

used interchangeably. Although all these concepts seem to exist for quite some time now, there is also no definite system which would allow to adjunct the *Purpose*-concept towards. Thus, I also have included this research problem into my interviews and will provide a suggestion to organize these concepts in a coherent manner, in order to contribute to corporate strategy theory overall.

Then, I base the concepts of *Corporate Purpose* and *Brand Purpose* against this normative, strategic framework of the firm and finally relate brand identity theory to it.

### 6.3.1 Where it fits: An integrated normative framework in corporate strategy

Although the concepts of *mission*, *vision*, *values* and *purpose* are sometimes used interchangeably, in academia and practice, there is a fine and important line between those. Therefore, the next part shall explore and explain the managers' perspective on the single elements of a normative framework and provide clarity on the role of each element.

The managers agreed that the core elements of any normative framework in corporate strategy should be concerning the organization's *purpose*, *vision*, *mission and values*<sup>136</sup>. Further, they asserted, that these elements must be developed integrative and inclusive in order to form a coherent, guiding normative framework of the organization. Additionally, the managers argued, that the development of an implementation of such a normative framework is the groundwork for building a strategically aligned organization. It is only through the codification of normative and aspirational, sometimes idealistic, values, norms and strategic intent, that the organization is enabled to develop and steer managerial decision making and processes in the same direction. Further, although the *intention* of the objectives of the corporation should be codified precisely, the framework also must cover the *contribution* the organization is trying to make. Thus, the *normative framework* should cover not only the 'where to' but also the 'why'. In order to bridge these two, there should be also a clear pathway designed and codified on 'what' measures and strategies will lead to the intention. Beyond these three elements, the managers assert, it is essential to

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<sup>136</sup> T-Memo\_19

provide also an element, which codifies required and sought ethical and moral values.<sup>137</sup>

*“Mission is what you do, vision is where your company is going, and purpose is the why that you exist. (...) [Among executives] there is confusion between what a mission is and what a purpose is; And when you conflate those two things, you focus a lot more on what you are doing every day, as opposed to the reason you should be doing it. When you are able to articulate well mission and vision and purpose and bring those things together in a unifying way, you are then able to change behaviours in an organisation, you can affect change in that organisation, you can inspire people in that organisation, and you can become a purposeful organisation that has great impact on the world over time.” (Grice, 2018)*

*“All organizations need all of it: Purpose is about the why you’re doing what you are doing – it is about what drives you, what motivates you; Mission is about what you’re doing, the actions and initiatives put in place in order to activate your purpose. Mission describes strategies; vision is about an imagery state of the future that you want to become reality. Values accompany all of those, as they describe and prescribe the organization’s and its members’ behaviour. But of course, they are linked and not separate concepts.”<sup>138</sup>*

All managers agreed that the concept of *Corporate Purpose* is foundational for corporate strategy and therefore all other strategic imperatives and concepts are subsequent to *Corporate Purpose*.<sup>139</sup>

(Corporate) *Purpose*, constituted by the three elements of the *Purpose-triangle*, possesses explorative attributes; it is not a passive statement about the organisation’s reason for being, but moreover it’s active component shall convey the approach and the context in which the organization is seeking to enhance

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<sup>137</sup> I-Memo\_P5; I-Memo\_P7; Po-Memo\_P7; T-Memo\_22

<sup>138</sup> P7; I-Memo\_P7

<sup>139</sup> T-Memo\_33

*individual and collective welfare*, through its business model. Therefore, the *Purpose* statement should be aspirational and take a clear stance towards *collective challenges from society at large*, chosen to be conquered through the *business model*. *Purpose*, in the context of the four elements of the normative framework then is about the explorative description, of what the *contribution to society at large* is, by the organization.<sup>140</sup>

*Vision* is about *goal setting*; the company will provide a description of what the future state is like when the applied strategies (*mission*) have been successfully implemented and have achieved the intended change. Thus, the *vision statement* is about laying out the *intention* of the organization.<sup>137</sup>

*Mission* is the explanatory element, adjunct to *Purpose* and *Vision*; the *mission statement* should lay out a longer-term, *strategic guidance* on what the organization will precisely do, to fulfil the commitment of its company's *Purpose*. It is about corporate strategy and choices. Thus, the *mission statement* is the *directive for the managers' actions*, when executing their decision making and management of the organization in order to work against the declared *Purpose*. It, therefore, is a consequently derived action plan, which will enable *joint and synchronized action within the organisation*, across potential organizational limitations (such as e.g. departments, functions and regions).<sup>137</sup>

*Values* are a *characterization* of the organization; the *value statement* lays out what *qualitative* and *normative values* the organization subscribes itself to. *Values* are about steering behaviour through *characterizing ethics and standards* for work-practice and procedures.<sup>137</sup>

These four elements, summarized in Table 9, must be developed interdependent yet are homogenous on their own and disjunct from each other. Thus, the leadership of the organization should provide the framework with the four elements in a coherent way.<sup>137</sup>

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<sup>140</sup> T-Memo\_22; T-Memo\_49

Element	Integration	Content	Objective
(Corporate) <b>Purpose</b> statement	Foundational and therefore the <b>first</b> element to be established	Provides an answer to <b>why</b> the organization exists	To define the <b>contribution</b> the organization is going to make to society at large
<b>Vision</b> statement	To be established <b>secondly</b>	Answers <b>where</b> the positive impact will lead to what future state	To define the <b>intention</b> the organization is about
<b>Mission</b> statement	To be established <b>thirdly</b> , as it bridges the first two	Provides strategies on <b>how</b> the vision will be achieved, derived from the <i>Purpose</i> statement	To define the <b>where and how</b> of the use of the organization's resources.
<b>Value</b> statement	To be established <b>fourth</b> , could also be independently	Characterizes the organizations way of conducting business with regards to <b>ethics and standards</b> .	To provide a framework for the organizations members to <b>guide and steer members behaviour</b> .

Table 11 - The elements of the normative framework of the corporation

The *(Corporate) Purpose* provides the guiding foundation in order to build from there a coherent, normative framework for the corporation. The normative framework is a necessity for the organization to provide a codified guiding principle to the organization's member activities (*Activism*). The objective of the framework is to define an inclusive and integrated strategic specification, which the organization's members can refer to and moreover to steer corporate behaviour and objectives in a strategically aligned way.<sup>141</sup>

Importantly, although the *Corporate Purpose* is foundational for the normative framework and the three elements of *mission*, *vision* and *values* are foundationally related with the *Corporate Purpose*, the *Brand Purpose* is dependent only directly with the *Corporate Purpose*, not the overall normative framework. However, the derivation of the *Brand Purpose* is based on the overall normative framework as well.<sup>142</sup>

*"The relation of the brand's purpose should be based on the corporate purpose. Other strategy tools, such as mission e.g., are tools for specification to enhance internal clarity and alignment. (...) It is important*

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<sup>141</sup> T-Memo\_48

<sup>142</sup> T-Memo\_15

*of course, that the brand's purpose is not contradictory to the other elements and therefore they must be taken into account when developing your brand. But the corporate purpose is the overarching, guiding star for all of the elements.*"<sup>143</sup>

*"Brand purpose, of course, is directly related to (...) [our company's] corporate purpose. But we do also use our mission statement and vision to explain our strategy. Our brand purpose serves a different function; it is the heartbeat of our branding efforts. It should be consumer language, not internal, corporate-jargon, more imagery and imaginatively framed than the other strategy statements. In strategy it is important to enhance clarity. In brand strategy it is important to enhance imagination so that people understand and memorize the brand's identity."*<sup>144</sup>

The normative framework should be precise and clear in language and expression overall. The overarching objective of implementing a normative framework for the organization is to provide strategic principles, which guide the organization's decision making and subsequent actions (*Activism, through higher-order purpose*). Therefore, in normative frameworks, the expression and descriptive manner in which it is developed should be clear and it is acceptable to use also *internal corporate language* to enhance this clarity. The *Brand Purpose*, however, should be *imaginative*, i.e. can be more aspirational and in the development of its description, the brand strategy's overall objective should be kept in mind; which is to build an *imagery, descriptive* identity, to which the stakeholders can relate to, by building their brand image on their own.<sup>145</sup>

Further, the *Corporate Purpose* and the *Brand Purpose*, as it is dependent on the corporate one, should be framed for a long-term period. Fundamentally, the *Purpose*-concept is not to be changed, unless the business model overall should be changed, as its constitutional elements frame the business model as such.

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<sup>143</sup> P\_41; I-Memo\_41

<sup>144</sup> P\_35; I-Memo\_35

<sup>145</sup> T-Memo\_16

This might occur when markets' and stakeholders' needs change or technological innovation step-changes the business case overall. Thus, the *Purpose*-concept, cannot change without changing the overall business model. In contrary, the way to fulfil the *Purpose*-concept, i.e. the underlying strategies and processes of the organization (*mission*) might change, as might the goal and objectives of the organization (*vision*). Further, the *value* statement might be adapted without a dependent relation to the *Purpose*-concept and therefore may not impact the business model itself (by e.g. including new values etc.). Thus, the normative framework and its interdependent elements of *vision*, *mission* and *value* statements might be adopted within the current business model, but the *Corporate Purpose* not. Dependent on the *Corporate Purpose*, the *Brand Purpose* therefore also cannot be changed within the existing business model.<sup>146</sup>

*“You adapt strategies and goals, of course. But what you do not adapt is your purpose. Only if the business model needs a fundamental change, you would also and as a consequence adapt your purpose.”<sup>147</sup>*

*“(…) purpose, in the context of corporate strategy, but even more in the context of brand purpose cannot change. If you would change your brand’s purpose, you would misguide the brand’s consumers, as you established your brand purpose with them as their image of the brand. So, if you change the brand purpose, the brand image doesn’t change. But that basically means you have just eliminated your brand overall.”<sup>148</sup>*

Concluding, as illustrated in Figure 35, the normative framework provides, through its single elements, an interdependent strategy tool, which's objective is to enable strategically aligned *Activism* throughout the organization. Although *Brand Purpose* is a derivate of it, its direct and dependent relationship is to the *Corporate Purpose*. *Brand Purpose* serves as a long-term oriented, *imaginative* expression in order to *inspire* and guide the strategic development of the overall

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<sup>146</sup> T-Memo\_41

<sup>147</sup> P\_18; I-Memo\_18

<sup>148</sup> P\_35; Pre-Memo\_36

brand image, through the expression of the brand identity. It is then this *purpose-driven-brand*, which allows strategic communication about the corporation's, or single brand's, identity, its *stance towards collective challenges from society at large* and bridges the gap between the corporation's *internal stakeholders* (e.g. employees) and *external stakeholders* (e.g. consumers).

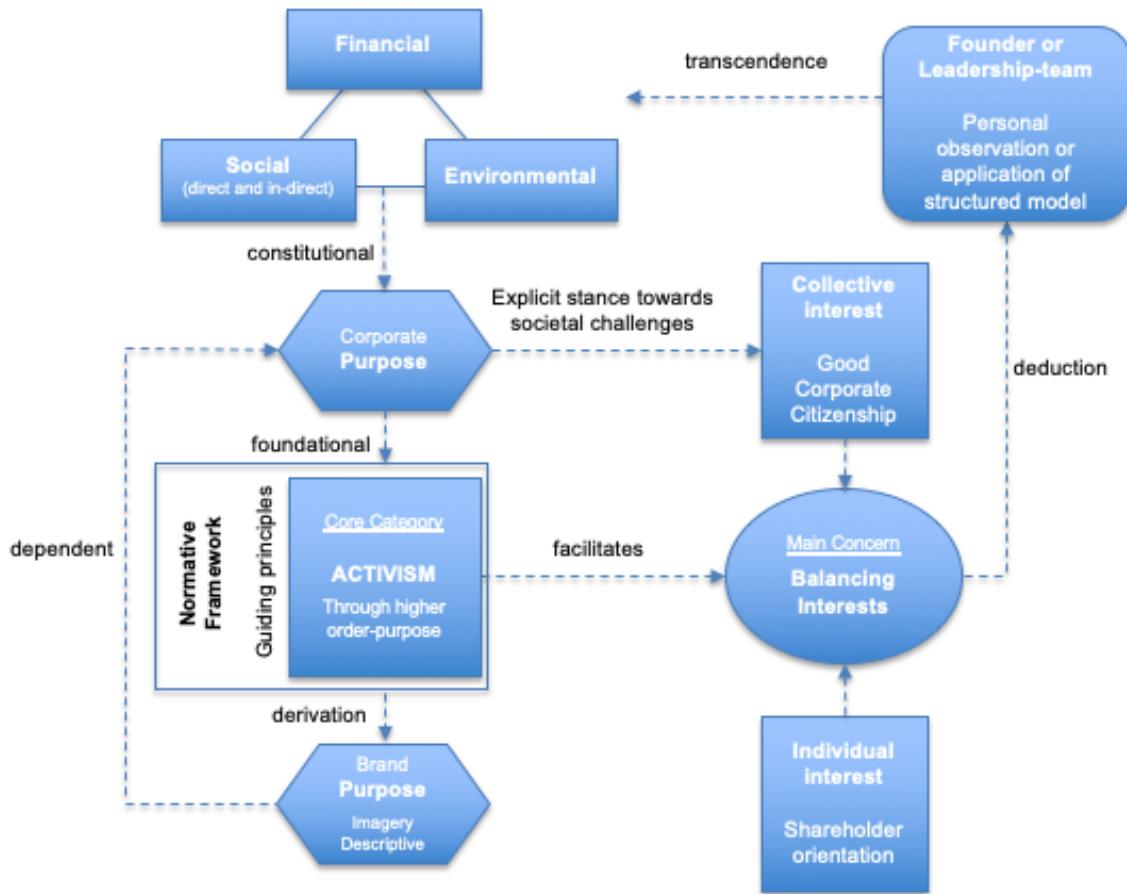


Figure 35 – The normative framework of the organization; guiding principles to steer and align  
Activism

### 6.3.2 Brand Strategy: From Brand Purpose to brand positioning

The managers agreed that the *Purpose-concept* serves as the elementary starting point, to build all managerial decisions and the firm's processes against. *Brand Purpose*, as *imagery*, *imaginative*, and *aspirational description* of the *Purpose-concept* is therefore fundamental and foundational. I.e. the *Brand*

*Purpose* should be placed at the beginning of a brand identity definition process.<sup>149</sup>

The brand identity itself is then a consequent development of the *Brand Purpose* towards an integrated brand strategy and will specify the *Brand Purpose*'s implication to the single elements of the brand identity. As elaborated and discussed in the initial literature review, the brand identity concept itself can vary among different models. However, among all concepts, the core of the brand identity is about metaphysic, intangible values and beliefs. As explored in the review, those metaphysic elements become central to build a distinctive brand which can build brand attachment by its consumers. Although there is then no exclusive way of translating *Brand Purpose* in its subsequent elements, the managers perspective allows to integrate it into an overarching brand strategy model.

*“Purpose is elementary to the brand as it will define all other implications within the brand strategy. All other elements follow purpose and must be aligned to finally produce a coherent brand identity.”*<sup>150</sup>

*“The overarching theme behind our (...) [brand strategy model] is our brand purpose. All the other five elements are then developed from it. Purpose serves as point of departure for our brand strategy development process.”*<sup>151</sup>

*“Purpose is essentially the foundation to derive the other brand strategy elements from. It precedes all decisions on pricing, product, sourcing, distribution, communication and so on. I’d say it’s our guiding benchmark for decision making when defining the marketing mix.”*<sup>152</sup>

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<sup>149</sup> T-Memo\_51

<sup>150</sup> P\_35; Pre-memo\_35

<sup>151</sup> P\_1; Po-Memo\_1

<sup>152</sup> P\_25; I-Memo\_25

*“Well, of course, you have obviously different companies indeed; different schools will teach slightly different things in different words [regarding the definition of the elements of the marketing mix]. (...) for me, positioning is a much broader thing. (...) one of the things that we have within the positioning is what's the brand purpose. And the positioning for us would also define things like pricing and product, and I suppose more what we call the 6 Ps of marketing. (...) different people teach a different number of Ps. whereas the purpose to us is the core of the brand and what it actually stands for.” (Weed, 2017)*

*Brand Purpose* is the guiding principle to build the marketing mix of the brand around. It is central to the marketing mix. Then, the overall marketing mix, based on the *Brand Purpose* can be positioned in the market against the selected target segment.

As before, the cases of Unilever and Patagonia can serve as examples, as the majority of the managers also referred to both cases as exemplary for their own brand identity developments.<sup>153</sup> Unilever's example of two brands, both based on the *Brand Purpose* of, “To enable people to enjoy increased confidence and self-esteem”, can help to understand the process applied by the company; both brands ‘Axe’ and ‘Dove’ share that same *Brand Purpose*, but the other elements are subsequently derived from it; yet, with their respective, different target segment in mind. ‘Dove’ is targeting women in the mid-age, while ‘Axe’ is targeting teenage men. Thus, the subsequent translation in Unilever's brand strategy model<sup>154</sup> and the marketing mix, amongst price, promotion, place, packaging, product. This then leads to an overall very different brand positioning of both brands (Weed, 2017). Also, at Patagonia, again mentioned as an example by the managers, the *Brand Purpose* is supposed to guide the executional elements of their brand identity model and becomes operationalized by their marketing-mix as the operational component of the brand strategy (Chouinard, 2015; Rogers, 2018). This procedure was shared by the managers in this

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<sup>153</sup> T-Memo\_12

<sup>154</sup> Unilever's brand strategy model is based on Kapferer's brand identity prism (Kapferer, 2015).

research across different companies and brands alike, although, as mentioned before, with different definitions of the brand strategy's model outline, but overall comparable content of such<sup>155</sup>.

Consequently, the brand strategy itself then becomes a managerial tool to ensure that the brand's activities are rooted in its *Brand Purpose*, which, as outlined before, is dependent on the *Corporate Purpose*, which is constituted through the three strategic elements of the *Purpose*-concept. Thus, the brand strategy itself then leads to the reflective execution of the brand's contribution, as defined by its *Purpose*-concept.<sup>156</sup> *Brand Purpose* functions as a guiding, core element to the overall activity of defining a brand's overall strategy, with the objective to define a coherent brand positioning which can be established in the market. All other elements are developed from it, but towards the integration of the market segment's needs and characteristics. Consequently then, as shown in Figure 36, the brand strategy is constituted by the *Brand Purpose* but executed through the brand identity and then the marketing mix elements.<sup>157</sup>



Figure 36 – Brand Purpose, brand identity, marketing mix and brand positioning

These elements become the tactic translation into a strategic case, which is supposed to guide the activities and initiatives by the stakeholders working on the overall value chain of the brand.<sup>158</sup> As shown in Figure 37, *Brand Purpose* is

<sup>155</sup> T-Memo\_51

<sup>156</sup> T-Memo\_44

<sup>157</sup> T-Memo\_44

<sup>158</sup> T-Memo\_51

as such executed and operationalized through the brand strategy into brand positioning. The brand positioning then should succeed with the targeted segment, given the business model, through the *Purpose*-concept, was derived from a collective interest identified in the first step.

*"Actually, we believe that our approach to brand building via brand purpose, if done honestly and residing on the business model itself, will always succeed with the target group. It's logic: First, we match the societal challenge this group cares about with our brand portfolio, then we build the whole strategy against this challenge and indeed, finally the consumers buy the brand. And our numbers prove us right, our brands which are already set up this way are growing as double as fast as the others in terms of [market] share and achieve higher repurchase rates."*<sup>159</sup>

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<sup>159</sup> P\_35; I-Memo\_35

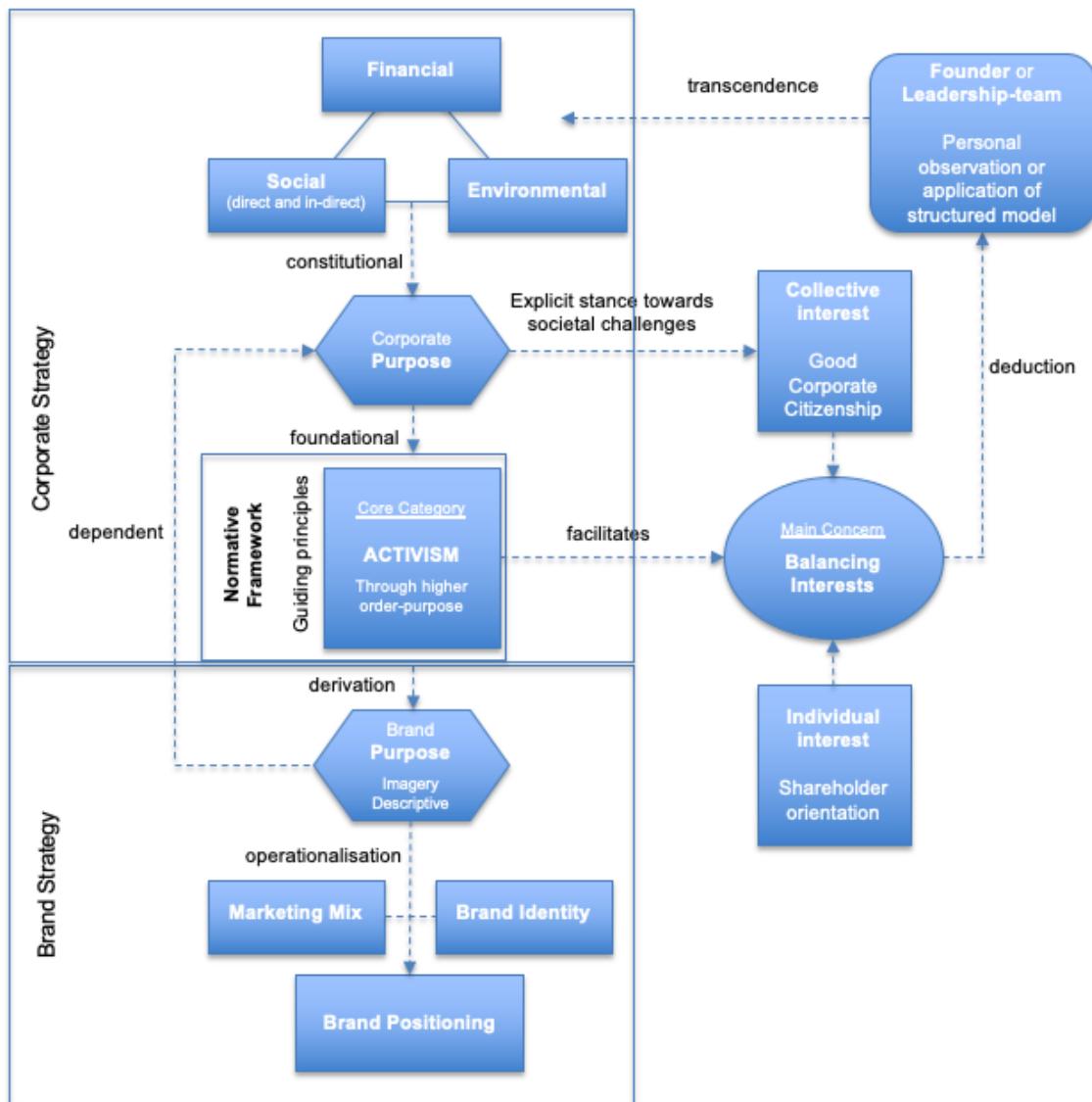


Figure 37 – Brand Purpose's execution and operationalization into a coherent brand positioning

Finally, *Brand Purpose* allows the company to build a way of *communicating with the target group in an honest and open way*. If the underlying business model is transcended into the brand strategy, and the underlying business model is actually really built on the three constitutional elements of the *Purpose*-concept, then shared interest in overcoming the chosen challenge will be an enabler for brand communication towards the target segment. One important facet of the *purpose-driven-brand*, which was highlighted among the managers, is the ability to provide a transparent and open way of communication with the target group. Interestingly, some of them even mentioned that they personally felt a *relief* when changing jobs and working now on such a *purpose-driven-brand* that their work becomes more *meaningful* and *honest*. Some of them even asserted that they

felt like *betraying their customers* working on other brands, mimicking them a *fake world* in order to influence the customers' purchase decisions.

*"Since I am working on (...) [this brand], I just communicate about what I do and our business. This is so different from what my previous role was about. In my old company, the job actually was about hiding the environmental issues, bad working conditions at our suppliers and so on. Now, I am a change agent to change those things and am encouraged to communicate through my advertising and communication about this. (...) What a relief."*<sup>160</sup>

Increasingly, consumers demand *proof through action* from companies. Companies and organizations are communicating to the stakeholders through their brands and these brands form the entity which consumers and society at large relate to and finally judge the company's actions and behaviour<sup>161</sup>.

Importantly, classic branded communication, foremost the system of traditional advertising, is not sufficient and may actually work against the brand, as trust in advertising, as a concept, seems to decrease by individuals<sup>162</sup>. Consumers increasingly seek hard-fact-proof and transparency throughout the value chain of the companies' produce and finally judge brands based on the related impact of the production of these products<sup>163</sup>.

*"Advertising is the greatest human failure in human history as ads are only an invitation to mimic fake-life. Taking a stand and proofing this stand through action is what proofs the company's values and socially accepted ethical behaviour. You can't fake it with made-up, fancy advertising."*<sup>164</sup>

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<sup>160</sup> P\_18; Pre-Memo\_19

<sup>161</sup> P\_5; I-Memo\_P5; P-Memo\_3

<sup>162</sup> I-Memo\_P4; T-Memo\_44

<sup>163</sup> Po-Memo\_4

<sup>164</sup> P\_4; I-Memo\_P4

With the increasing information-transparency and almost ubiquitous access to information, the expectations towards *authentic ethical behaviour* have increased and companies must go beyond *passive reporting* towards *pro-active communication and information*.

*"Consumers become more mindful about the consequences of their consumption and buying behaviour and therefore seek brands, which provide authentic, pro-active proof of good corporate citizenship, at least. These are the new policies of brand and business management."*<sup>165</sup>

The differences in *classical brand strategy* versus *purpose-driven-brand strategy* seem to be not only affecting the *rehearsal of business modelling* and the way brand strategy is defined. Overall, the managers asserted that another consequence is that their own jobs and those of their colleagues become more *meaningful*<sup>166</sup>. Not only because they feel sometimes as *activists* or *change agents* who tackle *challenges society at large* is confronted with through their daily business activities, but moreover, also they express their very personal *impression of conducting a more meaningful day-to-day job*. A part of the explanation behind this insight could be that the *role of the classic brand manager* was indeed, at least in some cases, more about the creation of a *fake-world* to invite the consumer to, while *Brand Purpose* enables them *to portray a real-world* in which they are seeking consumers to *join their cause*, based on *shared values*. Table 10 shall provide an overview of insights in comparison of commanding and managing a *classical brand* versus a *purpose-driven-brand*. Although this exploration might be limited to some cases, on both sides, some incidents in the data clearly have proven these differences to be real.<sup>167</sup>

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<sup>165</sup> P\_4; Po-Memo\_4

<sup>166</sup> Po-Memo\_29

<sup>167</sup> T-Memo\_44; T-Memo\_52

Classic Brand Strategy	Purpose-Driven-Brand Strategy
Brand Strategy built on (sometimes) superficial consumer <i>insights about functional needs</i> and wants	Strategically derived from <i>societal-relevant challenges</i> into a business model and derivation of the Brand Strategy
Communication might be <i>mimicking a fake world</i> , consumers shall portray themselves into by brand consumption; hiding negative impact of the business	<i>Authentic and transparent</i> communication about the true nature of the business and its impact
<i>Influencing consumers</i> to buy a brand	<i>Inviting consumers</i> to join a cause, based on shared values through higher-order-purpose
Employees supposed to <i>mask a model</i> with the intention of shareholder value contribution	Employees supposed to act as <i>activists</i> to change a common challenge they share with all stakeholders

Table 12 - Classic Brand Strategy versus Purpose-Driven-Brand Strategy

#### 6.4 The generative mechanism of the theory: How the main concern triggers Activism

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The core category of the theory, *Activism*, through higher-order purpose, represents the explanandum in the mechanism; the main concern, *Balancing interests*, represents the explanans. However, the explanans explain an underlying motivation that only becomes actionable for the managers through further process, with its additional elements within the theory. That is, the main concern is not resolved immediately through an action undertaken by the managers in direct response to their main concern, but rather through a subsequent sequence of activities and elements, which are connected through further relationships. Thus, a firm's leadership team's structuring of the main concern into the model's triangle of financial, social and financial aspects is a necessary and foundational step, in the overall generative mechanism, transcending the tension from the main concern into a guiding statement of corporate purpose. The clarity provided through the application of the triangle's elements as a structuring model can offer a comprehensive guidance to develop a detailed and exhaustive corporate purpose statement. This purpose statement serves as a foundation upon which to develop the overall, strategic, normative framework of a firm. This normative strategic framework - covering the corporate purpose, mission, vision, values and principles statements - can then enable managers to act in a concerted manner and allow them to derive from this

framework strategic initiatives. The provision of such normative strategic guidance through a comprehensive framework is important, as it guides and informs the managers' choices (*Activism*) in terms of addressing and facilitating their main concern, through their managerial activities and consequently their business initiatives. The connection between core category and main concern (*Facilitates*), explains the causal relationship between the two elements and is central to the emergent CGT as it represents the outcome of the managers' *Activism* – which then results in the facilitation of their main concern (*Balancing interests*).

It is important to note that it is the integration within the overall model of systemically integrated elements and their relationships that forms the overall theoretical construct. This construct represents a causal structure, which results in the generative mechanism detailed in the theory. The exploration and explanation of such generative mechanisms are central to CGT. Hedström and Swedberg (1996) assert, that "... the essential aim of sociological theorizing should be to develop fine-grained middle-range theories that explicate the social mechanisms that produce observed relationships between explanans and explanandum" (p. 281). Thus, in this GT study, the managers' *Facilitation* of their main concern (*Balancing interests*) is the contextual outcome of their *Activism* (core category). Although mechanisms in critical realism are bound to context, frequent and repetitive incidents in the data suggest that the researcher can identify the central generative mechanism of the overall theoretical model. The context of this central mechanism is then the embedding of managers' personal activism in the context of their corporate roles; that is, they do not resist their (personal) need to *Facilitate* their main concern, but they pro-actively implement measures and initiatives in the context of their corporate roles. Consequently, managers also explicitly use their corporations' resources as a resource for their *Activism*. The flow of the generative mechanism, throughout the theoretical model, is visualized in Figure 38.

## Generative mechanism

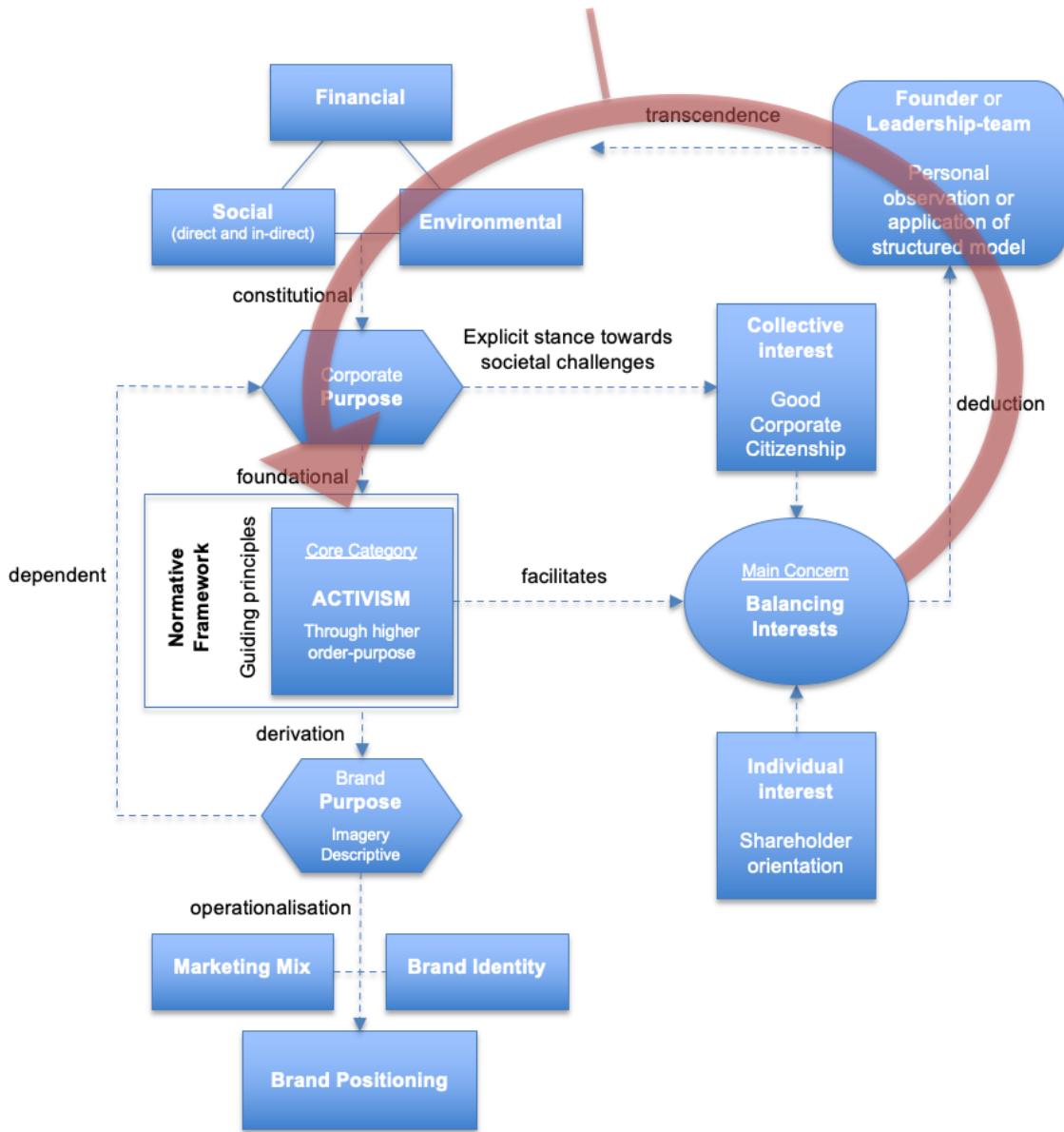


Figure 38 – The generative mechanism of the theory: from explanans (main concern), through the development process, to explanandum (core category)

In critical realism, mechanisms are considered capable of triggering events and outcomes. It is important to note that the causal relationship between the single elements and events are seen to be contingent in critical realism (Bashkar, 2008; Bashkar & Lawson, 1998); that is, the outcomes and events triggered by the generative mechanism can, or cannot, happen in other contexts. Therefore, the elements and causal relationships and their consequent events are also perceived as contingent. Nevertheless, they have been found frequently

throughout the data considered in this study. Thus, abstraction towards theory can be undertaken, within the substantive area of research, acknowledging the theory's general limitations (which are discussed in Chapter 7) (Hedström & Swedberg, 1996). The elements of the overall theory represent the context of this generative mechanism and their causal relationships between every single element in the theoretic model overall (see Fig. 37).

## 6.5 Summary

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The main concern that emerged from the interview-data is about balancing interests, between shareholder primacy and a broader stakeholder orientation of the firm. These interests are seen as controversial and conflicting by the managers, as the current, or classic, business model which emerged over the past decades seems to put both interests almost diametral on a dimension, which the managers feel pressured by. Consequently, in order to ease the pressure between the conflicting objectives of the firm, to satisfy both ends of the dimension, the managers try to resolve the tension through a pro-active engagement in order to balance these conflicting interests. Thus, the resolution to the main concern, in GT referred to as the core category, emerged as Activism (through higher-order purpose).

Higher-order purpose is conceptual and serves as a principal guiding philosophy to the managers and impacts their leadership, decision making and managerial activities. These are finally also reflecting than the organization's overall activities, given the strategic guidance of the higher-order purpose.

The establishment of such higher-order purpose is mainly routed back to the organization's founder's personal purpose, built through experiential knowledge and observation of challenges the society at large currently faces. It is then the founder, who derives a strategic solution or contribution to create positive impact against these challenges. In non-founder-led organizations, it is the leadership of the organization which might apply a mixed approach, using the founder's original purpose, if accessible and updates this through modelling in current observations and experience regarding current societal challenges. This happens through the triangle of three interdependent elements, which form the purpose-driven-corporation's business model; financial gain, in-direct and direct social impact

and environmental impact. These elements are constitutional, to what I refer to as the Purpose-concept. This concept is then aggregated into a strategic guiding principle, the Corporate Purpose, which makes a stance against selected societal challenges clear and is the foundational strategic imperative for all managerial activities which the organization applies through the business model. This Corporate Purpose is then translated into a Corporate Purpose statement, which among three other elements (mission, vision and value statements) form the normative framework of the firm. This framework serves as foundational strategic imperative to the managers' activities and managerial decision making, but also, and consequently, as strategic imperative to all of the organization's members activities and behaviour (Activism).

From this normative framework the Brand Purpose will be derived, yet, importantly, is dependent on the Corporate Purpose. The other elements of the normative framework are detailing further the execution of the Purpose-concept, while the Corporate Purpose is foundational to the Brand Purpose. The Brand Purpose itself is an imagery and descriptive portrayal of the Corporate Purpose. The ladder, as well as the other elements of the normative framework are not to build and describe imagery, as their objective is to provide strategic clarity and guidance, while the Brand Purpose should be imaginative in order to inspire an aspirational brand identity. This brand identity is formed out of the Brand Purpose and is detailed further through the establishment of a marketing mix. Brand Purpose, brand identity and marketing-mix form the overall brand strategy of the firm. This brand strategy process can be applied with minor differences for corporate brands, i.e. organizations which apply a branded house strategy, but as well as for corporations which possess more brands, i.e. a house of brands strategy.

In its consequence, this brand positioning is the positioning of a purpose-driven-brand. The managers argue that when branding is done with higher-order purpose, the consequence will be a more authentic and accessible brand for the customer and consumer. This, they assert, provides a strategic competitive advantage over competitors, as the brand is not a mimicking of consumers needs and wants and pursuing these to buy the products or services; but rather the purpose-driven-brand serves as an invitation, to the relevant market segment,

sharing the societal concern overall to join the brand's rally to conquer the identified and codified societal challenge.

The next chapter will discuss the above described findings of the research with the extant knowledge and body of theory, which was elaborated with the initial literature review, in chapter 2 of this thesis.

## **Chapter 7: Discussion**

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The overall aim of this research was to explore the phenomenon of for-profit companies that claim to apply a higher-order purpose to their brand and corporate strategies and to explore the motivational factors behind such strategies. The research findings provide a detailed answer to this aim, which is explained and interpreted below (section 7.1).

The section is structured around my research questions. First, in section 7.1.1, I discuss the initial research question on the current state of the literature and the role of higher-order purpose in extant marketing, brand and corporate strategy theory. Next, in section 7.1.2, I discuss the findings regarding managers' motivation and reasoning for engaging with higher-order purpose as a strategic concept. Then, I discuss the contextual definition of higher-order purpose in section 7.1.3, before discussing in section 7.1.4 the integration of higher-order purpose into a normative framework of the firm. Finally, I relate the findings with the significant extant brand strategy theories that have been uncovered in the literature review as being foundational to the idea of purpose-driven-brands in practice.

Overall, I embed and synthesize these findings with the extant body of theory, which previously was discussed in the initial literature review, within the substantive area of research. With the synthesis of the existing theoretical models and thinking with the emergent GT of this study, this should provide an inclusive explanation of the findings and how they relate, confirm, add to or challenge previous research and theory.

In sub-chapter 7.2, I summarize the emergent GT of the purpose-driven-brand and based on the theoretical model, draw out, which implications my research suggests, regarding identified gaps in the theoretical body of knowledge, the substantive theory's limitations and derive recommendations for future research. Within this, I also discuss the study's implication regarding a further potential formalization of the emergent GT, beyond the substantive area of research and therefore include also recommendations beyond the substantive area of this research.

## 7.1 Synthesis, discussion and interpretation of the emergent GT

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The research aim was broken down into four major sub-research questions, which shall serve as guidance for the following part. Here, I provide the findings from the research itself, but also how they relate to the existing body of theory specifically and therefore derive also the overall context, the research questions are synthesized with.

### 7.1.1 The state of the existing body of theory about higher-order purpose in corporate and brand strategy

Although there has been a profound development of the idea of the role of higher-order purpose and higher meaning, mainly over the last three decades, among scholars in corporate management and brand strategy, the exploration of it as a concept or theory on its own has been fairly limited (Gartenberg et al., 2018). Further, there is a significant disconnect between corporate strategy and brand strategy overall in the body of knowledge, but specifically, this disconnect turns out to lead to confusion regarding the conceptual idea of higher-order purpose and the corporation. This leads to confusion in practice and sometimes among scholarly work as well, regarding the overall framework of a strategic imperative to the firm and the relation of its elements. The single concepts are used sometimes even randomly (Collins & Porras, 1991, 1995; Mackey, 2011, 2014; Porras, 2010). Basic concepts such as brand strategy, corporate identity, corporate mission, corporate strategy, corporate vision and corporate values are used sometimes interchangeably and have not been detailed out further, which limits the applicability of these concepts to research but moreover to practice – despite its potential significance to provide more clarity to leadership and strategy (Hatch & Schultz, 1997; Hatch & Schultz, 2001; G. Kenny, 2014, 2018a). The lack of such a guiding, overall normative framework for the strategic imperative of the corporation, therefore, has led to a somewhat limited application of the overall concept in practice. I.e. some organizations do possess a guiding, strategic normative framework, but the conceptual overall application and consequently its tenets and attributes are most of the time used not coherently in practice and are applied also in scholarly work with very different perspectives

and substantially departing definitions (David et al., 2014; G. Kenny, 2014; Porter, 2004; Porter & Kramer, 2011; Serafeim, 2017).

Foundationally, in corporate strategy and organizational theory research, the conceptual idea of a higher-order purpose and higher meaning has been established in order to provide strategic guidance to internal stakeholders of the firm (Bartlett & Ghoshal, 1988, 1990, 1994, 1995; Birkinshaw et al., 2014; Bonchek & France, 2018; Carlisi et al., 2017; Ellwood, 2014; V. Keller, 2015). Yet, with regards to brand management and brand strategy theory, this might be even somewhat contradictory, as the management tool to communicate internally as well is sought to be another aspect of branding and brand strategy overall (Iyer et al., 2018; R. S. W. Kaplan, 2017; Matanda & Ndubisi, 2013; Meffert et al., 2019). Thus, there are, somewhat at least, contradicting concepts, between normative, corporate strategy and brand strategy when it comes to (internal) stakeholder communication. Further, and probably more significant, the limitation of the view to internal stakeholders of the organization might be not contemporary anymore, given that in today's increased information transparency and access a differentiation between internal and external stakeholder communication is, at least, questionable (Burmann et al., 2018; Cova & Cova, 2002; Wala, 2011).

Interestingly so, in absence of a clear definition of higher-order purpose, or the elementary framework of its location among corporate and brand strategy, some research has indicated significant positive effects of being a purpose-driven or purpose-guided organization, up to even positive financial value creation and corporate value increases (Eccles & Serafeim, 2013; Gartenberg et al., 2018; Ioannou & Serafeim, 2019; R. S. Kaplan et al., 2018; Serafeim, 2018a; Sisodia, 2016; Sisodia et al., 2014). Yet, again, one must highlight, that these concepts explicitly renounced to provide a conceptual definition of what higher-order purpose or higher meaning, in the context of the corporation, should be constituted by. The only common ground all definitions provide is, that higher-order purpose is about meaning and an existential reason for a corporation, beyond making a profit. Therefore, the body of theoretical background and knowledge can be seen as limited, especially also towards its conceptual application and enhancement of the idea in practice, even confusing managers somewhat in some instances (G. Kenny, 2014, 2018b). However, the review of

the existing literature enabled to frame the substantive area for the research among corporate strategic and brand strategic aspects, in relation to higher-order purpose as the identified theoretical elements provided sufficient indications that both conceptual ideas would be interlinked and probably even interdependent.

Despite a clear definition of the conceptual idea of higher-order purpose in the context of management and for-profit organizations, and beyond some scientific evidence of its effects on the corporation's financial performance, there is increasing argument and evidence that the role of such higher-order purpose-concept is highly significant to the for-profit corporation. Especially the, eventually even contradictory idea to shareholder-value-orientation, of a higher-order purpose as a value and belief system of the for-profit organization to deliver a positive impact on society's needs and challenges at large seems to be of increasing relevance. The idea that a corporation's role in society, as a member of society itself, is much broader than the shareholder-primacy dogma which dominated since the 1980s, is currently dominating among business-philosophical and societal discussions (Handy, 2002; Kramer & Pfitzer, 2016; Porter & Kramer, 2002, 2011). The 'Business Roundtable', a federation of 180 leading companies of the US, amongst companies like e.g. IBM, WalMart, Google, Amazon, Accenture and Apple, revised its three-decades-old mantra of shareholder-primacy as the corporations ultimate goal to the need of corporations to substantially contribute to societal challenges and issues at large, through an enhanced purpose of the corporation as part of society at large ("Our Commitment," 2019). The magazine The Economist titled in its late 2019 August issue "What are companies for? Big business, shareholders and society" and engaged in the discussion about the idea of for-profit corporations being more than for-profit organizations ("What Companies Are For," 2019). Further, the literature review provided evidence that the application of higher-order purpose as a strategic imperative to for-profit corporations is already highly relevant to practice. Also, federations, such as e.g. B-Corp, which seek to provide a platform for purpose-driven companies are rising and not only counting increasing memberships but also are seeing an increasing demand to become certified B-Corp members by blue-chip companies, such as e.g. Danone or Unilever – amongst other purpose-driven-companies such as e.g. share or Patagonia

(Giddens, 2018). Also on the potential effects to precise management challenges, such as e.g. employee retention and motivation or creating a loyal customer base for the brand, there is increasing argument, that in order to motivate employees (Pink, 2009) or to engage and build brand attachment among customers (Porter & Kramer, 2006, 2011), higher-order purpose indeed should be the central imperative for the strategy of the for-profit corporation.

Concluding, one can state that there is an increasing argumentation and also scientific evidence about the important role of higher-order purpose in corporate strategy and brand strategy overall. Yet, there is no foundational definition of what such a higher-order purpose constitutes, nor how it is built or implemented into an overall strategic, normative framework of the firm. Regarding corporate strategy, there seems to be somewhat confusing and overlapping concepts, which's importance itself is highlighted but with lack of clarity towards its overall conceptualization. With regards to brand strategy, again, there is a significant argumentation, from scholars, but moreover and visible from practitioners, that higher-order purpose has become significant to brand strategy; yet again, with lack of a joint definition or understanding of its tenets, constitution and relation with other concepts within brand strategy.

The overall findings of my research align with the initial literature review's results and insights, but moreover contribute significantly to the identified gaps regarding the definition of the constitutional elements and the integration of such into an overarching, normative framework of the firm. In particular, beyond the foundational definition of higher-order purpose in relation to marketing, brand and corporate strategy, the lack of a common and joint understanding of the normative framework of the firm, serving as strategic imperative to provide guiding principles for the corporations' leadership, has been mentioned by the managers as a challenge in their practice in defining a coherent, qualitative, strategically guiding manifestation of the firm's ambitions, intentions, values as well as expected behaviour of its members. The findings of the emergent GT provide a clear separation between the core elements of brand purpose, in relation to the overall brand strategy, corporate purpose, corporate mission, corporate vision and values. Further, this study's results provide more context towards the strategic character of each single element and therefore allows to build a coherent and

integrative, overall normative, strategic framework. This framework is adjunct to the above discussed theoretical background, but its clarity and overall significance is evident throughout the research findings. Further, the findings provide an overall conceptualization of the role of higher-order purpose in marketing, brand corporate strategy. These findings are discussed in the specific context of the single sub-research questions in the following sub-chapters.

#### 7.1.2 *The motivation and reasoning of practitioners to integrate higher-order purpose into strategic frameworks*

The findings indicate that the managers' participating in this research do actively seek a way of using their businesses and the related operations, throughout the overall value chain of the company's and the related partners, to conquer challenges which are concerning society at large. Although some organizations do focus on multiple issues, some companies do focus their activities on single issues. Overall, the concept of Activism (through higher-order purpose) has emerged as the central category of the research. This concept determines and summarizes the managers' quest to become change agents, or as they in some incidents referred to themselves as activists, to use their personal activities as corporate leaders to inspire others and jointly to conquer the identified and selected issues from society. Thus, it is their self-understanding that their role should be beyond the concept of shareholder-primacy or -orientation, but that as leaders of their organizations, their roles are concerned with impacting both shareholder value creation and collective welfare simultaneously. Importantly, this is not exclusive, but inclusive in terms of the managers' belief that they can, through Activism, balance the potentially conflicting interest between individual welfare (shareholder orientation) and collective welfare (contributing to society's needs). Thus, they are motivated by a higher meaning, they attribute to the business model, through the inclusive approach of being corporate activists.

There is an increasing theoretical body of evidence that profit orientation, as with the concept of shareholder primacy, might not only be limited as corporate goal and purpose in itself, but actually harming and being counter-productive in terms of people's (more precisely employees') motivation (e.g. Deci, 1972; Pink, 2009; Ryan & Deci, 2000).

But also, customers are not motivated in their purchase-decision-making-process by providing profit to the seller's shareholder. In contrary, there is increasing demand, that companies must contribute to society at large through their business models, rather than extracting value from society at large, through their business models from consumers and customers (e.g. D. A. Aaker, 2014; Edmans, 2016; V. Keller, 2015; Polman, 2014; T. E. Ries & Bersoff, 2018). Consequently, also investors (shareholders) are increasingly seeking to invest in companies which put a higher-order purpose at the core of their business through adapting their strategies, as there is also increasing argument that this could lead to higher profits and moreover long-term shareholder value creation (e.g. Fink, 2018; Fink, 2019; Gartenberg et al., 2018; Serafeim, 2016, 2018a, 2018b). This is supported further by scientific evidence that the concept of shareholder primacy in itself might be harmful to shareholder value orientation. This paradox could emerge indeed as the imposed short-term thinking of management, in order to deliver short-term positive financial results of the company, might actually harm long-term strategic actions by the organizations' leadership and therefore lead to lower shareholder returns, in the long run (Barton et al., 2017; Stout, 2012, 2013).

Overall, as Porter and Kramer (2011) summarized their idea about shared values between corporation and its external stakeholders, one could elaborate the idea of higher-order purpose and its realization through the manager's activism as a higher, more noble form of free-market capitalism. The argumentation is that when the corporation's purpose is intentionally about delivering against all stakeholders' expectations alike, including shareholders but just as another equally weighted group among all other stakeholders, all stakeholders will be better off in the long-term. This foundational perspective is also supported by Aburdene (2013); Chong (2013); Sisodia (2016); Sisodia et al. (2014), who also argue that shareholder primacy has led to decreased long-termism and therefore also for decreased long-term value creation for all stakeholders of the firm. Thus, by centring corporate strategy around a higher-order purpose, long-termism and a balanced overall stakeholder approach would be the consequence (Freeman & Elms, 2018).

Concluding, the managers' motivation to contribute to all stakeholders of the firm can be related to an inner, personal conflict, when forced to balance short-term

shareholder primacy over long-term strategy, including caring about all stakeholders equally and collective interest of society at large. Interestingly to note is that, although the 18<sup>th</sup>-century economist and philosopher Adam Smith is often limited to his seminal publication “The Wealth of Nations” (A. Smith, 2010b), he actually publicized already before his first landmark, “The theory of moral sentiments” (A. Smith, 2010a). In his first publication, which he referred to also in his second as being foundational for his work, Smith argued, that humans are driven by two major forces; the need to care for others and to pursue self-interest. While he argued both to be important to generate individual and consequently collective welfare, he also concluded that in case of doubt, the need to care would always be prioritized by humans. Thus, one should see Smith’s free-market, capitalistic argumentation from his second publication only in the light of his first publication and could conclude, that already Smith argued in the 18<sup>th</sup> century for caring for each other between humans, which then is caring about collective interests from society at large, before concerning self-interest (individual interest as with shareholder primacy). Gilbert (2019) asserts, that although it is historically the free-market, capitalist system which has contributed significantly to collective and individual welfare alike, it is also the flaws of this system which lead to increased doubt by many members of society at large. He argues that it is only through an active engagement of companies, that the systemic issues might be resolved, and this finally could be achieved when managers and moreover leaders of corporations would engage their business models in a re-balanced way, to serve all stakeholders equally and therefore contribute to society at large. This notion was originally also mentioned by the managers, leading to their main concern of balancing conflicting interests. Their resolution to this, as my findings show, is to become the activists, who, through higher-order purpose, lead their organizations towards an inclusive welfare approach, within the free-market, capitalist system. Thus, the managers' motivation to form and build higher-order purpose-driven organizations is foundational based on re-balancing the corporate's strategic imperative towards an inclusive growth, which is beneficiary to all stakeholders alike, by conquering issues and challenges from society at large. This quest is expressed and codified through the strategic definition of the for-profit firm's higher-order purpose.

### 7.1.3 *The constitutional elements of higher-order purpose of the for-profit corporation*

Also, in this study, there is consensus that the constitutional elements of higher-order purpose are a combination of three strategic facets, which are covering all stakeholders' interests in the firm. Given the stakeholders might have competing interests, it is the corporation's founder or leadership to define the elements content and overall balance between the three identified elements. The three constitutional elements of higher-order purpose are financial gain in terms of building and sustaining an overall profitable business model, while equally important managing the in-direct and direct social impact of the firm's value creation as well as managing the firm's environmental impact. Importantly, all three, in line with the managers' central motivation of activism, are elements which are sought be pro-actively improved over time. Thus, the business model itself is constituted through these three elements and then the corporate purpose of the firm is a summary of the business model. Thus, the overall foundation of the purpose-driven organization is a business model which encompasses the balanced triangle between financial welfare, social welfare and environmental welfare.

This triangulation of the three elements is conceptually established also in CSR management, referred to as triple-bottom-line (TBL) reporting. The idea of TBL fundamentally is that the firm should measure its output not only in monetary terms (i.e. not limit its reporting of profit), as financial results are only one part of the output. Beyond financial aspects, the value creation will also impact social and environmental concerns. These three aspects should be reported alike as a firms' overall footprint (Macaulay et al., 2019; Orlitzky et al., 2003; Tate & Bals, 2018). Yet the discern between CSR and the Purpose-conceptualization is that the ladder is fundamentally related to the concept of Activism, while CSR is perceived as a passive, reporting oriented management aspect, at least in practice, the research findings indicate. Moreover, CSR is perceived as a separate function within the firm's value chain, not as a central part of its business model. Thus, the findings indicate, while TBL in its original sense might be a tool to measure and report a purpose-driven-organizations' output, it would not align with the managers' core thought of Activism, central to the Purpose-concept. This

notion of using the three elements to build a business model itself is central also to the value creation of the firm; the purpose-driven corporation seeks to actively create a positive impact on the three elements and justifies its sheer existence through this purpose. This idea of centring a business model around the desire to create positive change and impact among all stakeholders and society at large is limited in scholarly research, and basically only provided as a philosophical theoretical model in social contract theory. Social contract theory draws a hypothetical model, which proposes that productive organizations should be bound to collective welfare through a contract society and the individual for-profit corporation agree to (Demuijnck & Fasterling, 2016; N.-h. Hsieh, 2015; Jahn & Brühl, 2018; Wempe, 2005). Yet, the research findings do not indicate that such a social contract would be of relevance for practice today, beyond compliance and accepting local and international laws as governing rules on business procedures and managing its negative effects.

As elaborated before, there is agreement among scholars and practitioners alike, that higher-order purpose is constituted as a strategic objective of the for-profit corporation, which concerns elements beyond financial goals, shareholder value orientation, shareholder value primacy or profit maximization *per se* (Bartlett & Ghoshal, 1994, 1995; Edmans, 2016; Fink, 2018, 2019; Gartenberg et al., 2018; V. Keller, 2016; G. Kenny, 2018b; Zook, 2016). However, despite there being an agreement on the sheer need and importance of the conceptual idea, no further precision of the constitutional elements of higher-order purpose and its relation to the business model was established.

Concluding, the findings indicate, that the purpose-driven-organization is constituted through the establishment of a business model, which integrates at its core the balanced triangulation between financial gain, in-direct and direct positive social impact and positive environmental impact. It discerns to CSR's concept of TBL; the Purpose-concept proposes to build a business model whose impact will make a positive contribution, rather than limiting the elements of passive ex-post reporting and minimizing harm. Further, the Purpose-concept and its three institutional elements could be related to social contract theory, but isn't as such today, given the irrelevance of social contract theory in practice. CSR's emphasize on governance and compliance might limit the management

discipline's application in practice, however, the findings of this research clearly limit CSR to a passive, ex-post managerial management and moreover, as my research findings suggest, in practice a reporting task. Being purpose-driven as organization, on the other hand, is about pro-active change and positive contributions to all stakeholders of the organization, in line with its foundational attribute of the concept of activism. Thus, a central attribute to theoretical model of the purpose-driven corporation is that itself wants to contribute to society at large by doing business, not despite doing business. This conceptual, theoretical model contributes indeed to entrepreneurial science but also there are overlaps towards CSR and social contract theory. However, at its core, it is distinct to both, based on the direct, systemic with the concept of activism.

#### 7.1.4 *An integrative strategy framework: Higher-order purpose and strategy*

##### 7.1.4.1 *The normative framework of the firm: The Corporate Purpose concept*

Corporate Purpose, as the overarching element about a business model which seeks to positively contribute to all stakeholders and therefore society at large, should be embedded in an overall strategic, normative framework of the corporation. The findings show that in practice, such frameworks do exist, but there is a lack of in-depth understanding about its single elements, but moreover a lack of understanding in terms of the role of each element, its objective and interdependencies among all elements. There is also broad consensus that both corporate purpose and other strategic elements, such as mission, vision and value statements are related, interdependent and should be therefore developed through an integrated approach in order to derive an overall aligned strategic imperative, among different managerial tools for the firm (Anderson, 2018; Baumgarth et al., 2019; Bonchek & France, 2018; d'Hond et al., 2019; Fleming, 2018; Ioannou & Serafeim, 2019; Kwittken, 2019; Malnight et al., 2019; Meffert et al., 2019; Reeves et al., 2019; Rogers, 2018; Schaffmeister et al., 2018; Serafeim, 2018a; Stengel et al., 2019; Sternberg, 2019; Vallier, 2019; White, 2019; Zapulla, 2019). Yet, there is disagreement, within the theoretical background, regarding the role and objective of each single element, and therefore the overall constitution of such a normative framework is not clearly and finally defined in the extant theory. Rather, there exist different versions of the combination and roles of the strategic, normative elements, such as mission,

vision, values and purpose (Collins & Hansen, 2011; Collins & Porras, 1996; Dickson-Green, 2013; Kanter, 2009; G. Kenny, 2014; Lafley & Martin, 2013; Lafley et al., 2012; Porras, 2010; Rumelt, 2011). The research findings propose that indeed all four elements (purpose, mission, vision, values) should be part of a strategic, normative framework of the firm. Further, the roles and interdependencies were uncovered and as a contribution to the existing body of knowledge, the roles and content of each element can be drawn out. Corporate Purpose governs the overall framework, as it is a direct description of the business model of the purpose-driven corporation. The Corporate Purpose statement as such should encompass all three elements of the Purpose-concept and provide the elementary answer to why an organization exists and moreover, the contribution the organization is providing to society at large. The mission then is declaring the way, how and where the contribution will be delivered. The vision then is about a description of how the future state of society would look like when the intended contribution is delivered successfully; the vision is about the form's intention. The values statement shall describe the behaviour and moreover provide ethical guidelines and principles about the accepted and supported behaviour and managerial decision making of the organization's members. All four elements are interdependent and therefore must be developed and managed cohesively. Those four elements form, as strategic imperative to the concept of activism, the firm's normative framework.

Finally, the requirement to the normative framework is to provide clarity in its overall expressions and rule out uncertainty in terms of interpretation and understanding of it. Only, when the normative framework's descriptions are clear and comprehensively understandable for all internal stakeholders, the guiding and governing function of it can be delivered. It is acceptable, and probably even helpful, to use internal corporate jargon, wording and descriptions within the expressions of the descriptions. This can potentially enhance the internal understanding and adaptation of the overall content.

Concluding, the normative framework is the essential strategic element to the firm and all activities of the firm should be principled and governed by such a framework. It should be the ultimate strategic imperative to all managerial activities and decision making, especially regarding fulfilling the intended

contribution, the Corporate Purpose; which is ultimately the business model through its constitutional elements.

#### *7.1.4.2 Higher-order purpose and the brand: Brand Purpose and brand strategy*

The findings show that the Corporate Purpose and the brand strategy of the firm have a direct, dependent relation, which is specified through the derivation of a Brand Purpose. The brand strategy, overall, is supposed to mirror the corporation's business model and derive a market-able, imagery and descriptive outline of the underlying corporate activities. There is broad agreement among theory and practice that the ultimate objective of brand strategy is to position the corporation and its products and services towards a chosen market segment, which in return derives a brand image and if attracted by it, should become the customer base and buy the firm's produce (Burmann et al., 2018; Burmann et al., 2009; de Chernatony, 1999; Ghodeswar, 2008; Hatch & Schultz, 1997; Henderson & Van den Steen, 2015; Janonis et al., 2007; Nandan, 2005; Olins, 1989; A. Ries & Trout, 2001; Suvatjis & de Chernatony, 2005; Wheeler, 2013). Thus, as the Corporate Purpose is the internal, corporate strategy-oriented description of the corporation's business model, with the attribution of being expressed in a clear way but targeted to be communicated with internal stakeholders only, the Brand Purpose should be a derivate of it, but being imagery, imaginative and described in an aspirational way. The goal of the Brand Purpose statement is to serve as the foundation for the overall brand strategy development and ultimately guide external and internal stakeholders alike and provide an image in the stakeholders' mind about the corporation and its business model, including products and services, through the brand's overall derived and marketed positioning. Thus, it is important to develop the Brand Purpose statement in a more creative and imagery expression than the Corporate Purpose statement. Brand Purpose itself is not defined in the extant literature yet, probably even more importantly, also there is no extant theoretical model on how Brand Purpose relates to the corporation's activities and business model overall. Although there is a certain level of agreement on the importance of introducing higher-order purpose into brand strategy (D. A. Aaker, 2017; D. A. Aaker et al., 2017; Kapferer, 2008, 2015; Stengel, 2011; Stengel et al., 2019), there is no theoretical extant knowledge about its construction, derivation or relation to the

concepts, which this research has brought up and were summarized in the normative framework of the firm. Further, there is no explanation in the extant literature about the different expressions and the development of Brand Purpose as a singular concept in brand strategy. Also, there is no theoretical model which links Brand and Corporate Purpose, nor the underlying systemic structure or its objective. Consequently, the research findings contribute the integrative, systemic and relational model of the normative framework and its relation to Brand Purpose to the existing body of theory.

The Brand Purpose statement serves as foundation to build the brand strategy. Thus, it is the starting point in a brand development process, as the brand identity is developed out of the Brand Purpose's conceptualization, to derive an overall purpose-driven-brand and moreover, its positioning in the market. The development of brand identity, in general, is well established and among different concepts with minor differences; one of the majorly used concepts in practice, as far as I can judge from the participating managers information, personal experience and probably limited to this study. One of the most applied models in practice is, according to Kapferer (2008, 2015), his Brand Identity Prism Model. This systemic brand identity framework was already developed with the objective in mind, to provide a managerial brand framework, which emphasizes the intangible, metaphysical elements of brand identity. Kapferer (2015) highlights, that the most important part in brand identity is reflected in the element "culture" (p. 159) in the Brand Identity Prism, which relates to the brand's "ideological underpinnings" (p.159) and shall provide answers to a societal concern of a chosen market segment. Thus, the underlying concept of Kapferer's culture-element may already have been introduced with having a higher-order purpose, in the sense of the definition of this thesis, in mind; but nor did he describe it as such, nor provide an elementary link to any overarching Purpose-concept of the firm. However, the underlying idea of Brand Purpose fits the Brand Identity Prism in general, and specifically its element of 'culture', well. Kapferer (2015) also mentioned that he, and moreover his approach of, "... new strategic brand management acknowledges the need for meaningfulness" of consumers in saturated markets (p. 160). He further asserts that brands, "... must address this new demand for meaningfulness" (p. 160), in order to stay relevant as brand and

become central to the mind of the (potential) customer. In line with Kapferer's argumentation, and congruently with the notion of Brand Purpose and its derivation through the brand identity theory into a fundamental part of brand strategy, is also Holt's cultural brand-building approach. Holt (2002, 2004) proposes, that he found, that consumers increasingly attach to a brand which shares personal beliefs and value systems and therefore consumers use brands to build their own self-identity. McCracken (1988) already argued that brand-consumption is a process of enhancing one's self-identity and the definition of such. Thus, the higher meaning a brand promises and delivers, if shared with the values and belief system of the consumer, will enhance her self-identity building process and therefore the consumer vice versa will experience an increased brand attachment and foster stable brand-consumer relations (Batra et al., 2012; Fournier, 1991; Gómez-Suárez, 2019; Shahid & Farooqi, 2019; Wallin & Coote, 2007). This process of enhancing self-identity through the metaphysical elements of brand identity is further integrated into Kapferer's (2008, 2015) Brand Identity Prim model, as he asserts, that it is through the brand identity's culture, foundationally related to the underlying belief system of the brand identity, will lead to an adaptation by the consumer in order to enhance her self-identity. He adds, that it's this reflective human behaviour, which consequently will lead to alignment of target group and band, as the ideology which stems from this value-congruence supports the build-up of an enduring brand identity – brand image relation. This relation is consequently voluntarily formed and positively informed and judged by the consumer, through the brand image in her mind. In brand relationship theory, this relation would fit Fournier's (1998) assessment of a "committed partnership", which is "... long-term, voluntary and individually chosen, socially accepted and supported" (p. 362). Concluding, Brand Purpose is adjunct to brand identity theory and adds a profound underlying model, especially through the relation to the explanatory elements of the underlying normative framework and the relation of such to the overall motivation of the leadership and members of organizations building purpose-driven-brands. The brand identity model which reflects the emphasis on metaphysical, value and belief-oriented brand building can serve as a model to develop an overall brand strategy, based on Brand Purpose. Then, within this brand strategy, the marketing mix is the strategic managerial tool to deliver the translation of the

brand identity into a marketable product or service. Based on this brand strategy, the brand will be positioned in the market as a purpose-driven-brand and should succeed with the target segment, which aligns through the higher-order purpose, as a relationship based on shared higher meaning, value and belief system.

Given the contemporary overall concern with political topics and societal grand-challenges, such as e.g. climate change and the climate crisis, gender equality and fair pay etc. (e.g. d'Hond et al., 2019; Young et al., 2019), brands which possess over a Brand Purpose-centred brand positioning may align with these consumers' values and belief system, leading to a more hollow establishment of brand identity-brand image relationship. Consequently, these consumers will emotionally attach and relate to the Brand Purpose, and ultimately the business model, underlying the Brand Purpose. Importantly to highlight is its dependent relation to the Corporate Purpose, as it is this causal mechanism which ensures that the business model authentically delivers the brand's promise. So, Brand Purpose delivered through brand identity becomes the intangible, metaphysic asset of the purpose-driven-organization which enables to form a union of shared values with the congruent target segment and the corporation. This is also supported by the conceptual argumentation of Porter and Kramer (2011), stating that consumers increasingly seek corporations' value-system out, represented through their brand positioning in the relevant market, pro-actively select and deselect products and services, based on the alignment of the corporation's overall stance towards societal challenges and issues with their personal world view in terms of ethical and moral terms.

It is important to highlight again that it is not sufficient to only provide a brand identity based on a Brand Purpose, but moreover, the Brand Purpose's dependent relation on the Corporate Purpose must be coherently established in order to prove the Brand Purpose's promise through the activities and initiatives of the company itself. This proof is delivered through the organization's member singular activities, encapsulated in the activism concept. Recent critique towards the idea of purpose-driven-brands basically denies such causal mechanism of interdependency between brand and business model and therefore concludes falsely that Brand Purpose, conceptually, is just another marketing gimmick (Ritson, 2019; Sharp, 2017; Shotton, 2018). Yet, there is some truth to the critique

as well; given the potential, positive business impact, described before, the integration of a higher-order purpose into brand strategy is endangered by organizations, who superficially will build a purpose-oriented brand strategy, but ignore the dependent relation to the business model (through the Corporate Purpose and its constituting elements, aligned with the other elements of the normative framework guiding the organization's activities overall as strategic imperative to the firm). Thus, also some industry leaders, such as Unilever's current CEO Alan Jope, warn their peers of, "... woke-washing ads polluting brand purpose" (para. 1), as this will be, "... putting in peril the very thing which offers us the opportunity to help tackle many of the world's issues. What's more, it threatens to further destroy trust in our industry, when it's already in short supply" (Watson, 2019, para. 9).

Concluding, the research findings contribute to a systemic model, which provides the contextualized definition and process of building a purpose-driven-brand. This model is adjunct to brand identity theory and enhances the existing theoretical background of brand identity theory in relation to its emphasis on metaphysical attributes. Further, in the extant body of theory, there is significant evidence that such a constructed Brand Purpose can contribute to the firm's financial performance, through the concept of brand attachment and brand relationship theory, as it should provide the meaningful elements to its customers to enhance their own self-identity through the consumption and usage of such brand products and services, which then leads ultimately to higher brand loyalty and advocacy.

## 7.2 The emergent GT of the purpose-driven-brand and future research

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### 7.2.1 A Grounded Theory about Brand Purpose

The Purpose-Driven-Brand is delivered through its brand positioning to the target segment, as is the extant theory suggested in identity-based brand management and as it is applied in many brand-driven companies today. However, to arrive at the positioning of a Purpose-Driven-Brand, significant differences occur when compared to classical, market-oriented brand management. The foremost and also most important difference may be the underlying business model itself. The quest to build a brand based on Brand Purpose is starting with a founder or the leadership, of an established or new company alike, seeking out and conquering

challenges society at large faces or expresses to face. I.e. the challenges identified in this concept must be relevant to a significant part of society, as this part later might also define the target segment of the brand itself. The selection of such challenge might be randomly, based on personal interest or observation, or it might be more systemic, as with the use of existing models, such as the United Nation's SDG framework. Yet, it is of existential importance that the taken challenge then transcends into a business model. This business model, other than classic business modelling might be, must be governed by three constitutional elements, which are to be built interdependently and integrated into a strategic, balanced triangle of the firm; financial gain, in-direct and direct social impact as well as environmental impact. All these elements need to be considered carefully and managed interdependently, as only the fulfilment of the overall strategic triangle will build a business case, which I refer to as the *Purpose*-concept. This concept then is constitutional for the establishment of a Corporate Purpose statement. This statement is supposed to summarize the business model in a way that the contribution of the company to collective welfare becomes visible and transparent. The organization's Purpose is about the expression of a higher meaning which resonates and motivates all active stakeholders of the firm and its value chain, while it also resonates and inspires the other stakeholders, explicitly customers to be attached to the brand, though the shared Purpose and underlying beliefs and motifs.

The Corporate Purpose is foundational to derive an overall strategic framework of the corporation's strategy. This framework consists of the three further elements, beyond the Corporate Purpose: Mission, Vision and Value statements. All three are interdependent, but disjunct in their strategic imperative to the organization. The mission statement shall cover the strategies chosen, which will lead to the intention of the firm, the vision statement. The value statement accompanies the three elements and describes behaviour and ethical as well as moral standards of the organization. This normative framework is developed as an overall strategic guidance to the employees, especially as a support to enable strategically aligned, managerial decision making. These activities guided and principled by the normative framework are summarized in the theory as *Activism, though higher-order purpose*. This is also the core category of the GT, which is

the resolution of the managers to facilitate their original main concern, which is about balancing conflicting interest between individual and collective welfare.

Secondly, the normative framework of the company serves as a foundation to derive the brand strategy. The brand strategy is constituted of its Brand Purpose, which is an imaginative, imagery and aspirational description of the more strategic formulated Corporate Purpose. The Brand Purpose serves as the foundation, from which the overall brand strategy is then developed. Brand Purpose gets operationalized through the development of the brand identity and the definition of its execution through the marketing mix. These three elements summarized as the brand strategy will enable the company to position its brand in the market.

The purpose-driven-brand could indeed be a more successful concept of branding than what the managers referred to as classical branding. Foremost, they argue, the brand should succeed with the target segment, as the brand shares their concern about a challenge of society at large and therefore also with the target segment. Secondly, the brand is enabled to succeed in an ever more open and transparent media world, as the brand strategy is not mimicking a fake world but transcending the actual business model through the brand identity in the market. Finally, some incidents in the data suggested that the people working within the brand-owning organization might be more motivated and driven, as they too share the concern the Brand Purpose is about. As such, Brand Purpose enables to join a rally against a commonly accepted and defined challenges from society at large.

This systemic, integrated view is not yet existent in the extant body of theory, although it's single elements can be related to extant theory, as explored in the first sub-chapters of the discussion. Further, this emergent grounded theory provides an overarching, explanatory model with causal relations and mechanism between its elements, spanning the gap between corporate and brand strategy theories. Thus, it should contribute significantly to the current challenges corporations face and provide a model for practice to manage the declared willingness to build businesses, which contribute to society at large, through their business models.

Finally, there is some empirical evidence that such an integration of Purpose could indeed mean for the business also a better monetary-measured overall performance. There is an increasing argumentation that the effects of the purpose-driven-brand are internal, such as increased strategical clarity within the organization and guiding its initiatives, and therefore more efficient business operations and activities, but also external effects such as increased brand attachment, resulting in increased premium-ability of the brand, and higher brand advocacy (e.g. Gartenberg et al., 2018; Pohlmann, 2014; Serafeim, 2018a; Stengel, 2011).

#### 7.2.2 *Summing up: The emergent GT of the purpose-driven-brand embedded with extant theory and its key contributors*

As discussed above in detail, the emergent GT of the purpose-driven-brand can be related and embedded in adjunct theory, especially among the theoretical contributions regarding brand identity theory (Brand Purpose), organizational identity and leadership theory (Corporate Purpose and normative framework of the firm), brand culture theory as an explanatory model of the development of succeeding TBL-business modelling (The transcendence of societal challenges into a business model). Moreover, there is increasing empirical evidence suggesting a consequent positive business growth and, therefore, also a financial positive impact for all stakeholders with a total-stakeholder-management approach (Balancing interests and Activism, through higher-order purpose). The key concepts and their respective contributors are presented and related to the emergent GT's of the purpose-driven-brand elements in Figure 39. The Figure represents the extant theoretical concepts from the existing body of knowledge, in relationship to the key theoretical concepts and elements within the emergent GT of the purpose-driven brand; brands driven by a higher meaning.

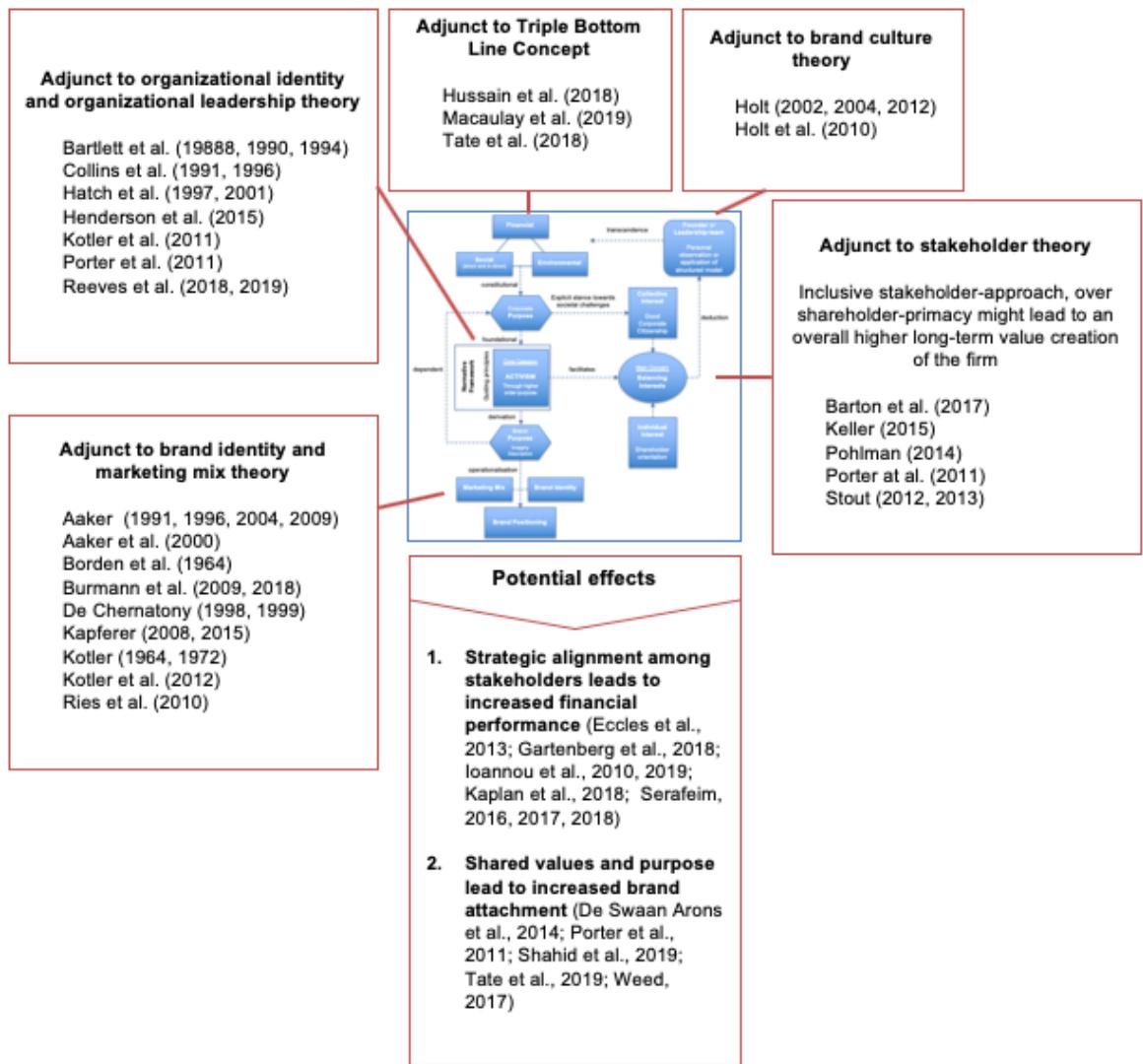


Figure 39 – Embedding the emergent GT of the purpose-driven-brand: Relations towards key theoretical concepts and contributors

### 7.2.3 Limitations of the emergent GT and recommendations for future research

The following part will provide an overview of the limitations of the emergent GT and further propose recommendations for future research. Before discussing those, it is important to recap, that this emergent GT is supposed to contribute to knowledge, but overall, as substantive theory itself is limited to the substantive area of research. Consequently, and overall, I claim that the theoretical, systemic model of higher-order purpose and its relation to business strategy and in more detail to brand strategy is profound, but only based within the substantive area of research. In order to formalize this substantive theory, it would be essential to

assess its properties, tenets and relations within other substantive areas of business and especially in other regions and cultural and societal context.

First, the participating managers are personally all from regions of the world where market saturation and therefore, competitive pressure is paramount to the strategic imperative of the firm. Also, the brands which were covered in this research are marketed with an emphasis on these markets, although they might be marketed in general globally. However, the focus of this study overall, but consequently also the sampling and recruitment of the managers participating, is limiting the theory's overall application towards other contexts. Those contexts are foremost other cultural and market situations in other markets and regions. As such, further research should be conducted in other contexts, when formalizing the emergent GT further.

Secondly, the primary focus of this study were brands marketed with the end-consumer in mind. Although there cannot be drawn a clear line between direct business to consumer (B2C) versus business to business (B2B) marketing, it might limit the applicability and validity of the substantive theory with regards to other marketing settings, such as industrial marketing in B2B contexts. The line is fine and blurry between the distinction of B2C versus B2B, given that a grand part of the participating managers asserted that although the brand's consumer are end-consumers, still they must market it through other channels, such as external retailers. Therefore, also consumer goods marketing possesses in marketing a B2B and a B2C orientation, while the focus of the brand's positioning traditionally is with the end-consumer. However, some asserted that it is also equally important to position the brand vis-à-vis their direct customers, e.g. retailers. However, the focus of the emergent GT is on people as end-consumers and how they relate to brand positioning and the underlying concepts and there might be further, significant elements which are not reflected in the substantive theory at hand. Therefore, further research, again as the formalization of the emergent GT, should be conducted in order to enhance its applicability also in the overall more complex system of company-consumer relations, taking various middle-steps within this relation into account. Further, the focus of this research, also not entirely limited to, was on brands which are strategically intended to be consumed by end-consumers. Yet, in other areas such as e.g. industrial

marketing, the emergent GT might be applicable as such as well, but this needs further research and potentially also significant adjustments or enhancement beyond the substantive theory, given corporate purchasing processes and cognitive purchase-decision making processes of corporate purchasers might differ significantly from those of the end-consumer, the private human being.

Third, and probably the emergent GT's most restricting and limiting factor, might be that I have sampled only from organizations which claim for their own to be purpose-driven-organizations and that their brand strategies consequently are based on a higher-order purpose. Thus, the importance and value of Brand Purpose are stated consequently as significant to brand strategy, but without considering that still today the majority of brands are probably not purpose-driven, nor might they imply a strategic account to become such. Therefore, the emergent GT is limited to the substantive area of research explicitly, in terms of being a systemic model of organizations who already are engaged with higher-order purpose as an overall strategic imperative to their business model. Further research, therefore, could identify two other highly relevant segments within the overall market. First, organizations which do not yet engage in higher-order purpose as a strategic imperative to the firm but are thinking about changing that imperative and further research should assess the motivational factors and outcomes of those. Secondly, organizations who pro-actively might have decided against such an imperative and again then, further research should assess the motivational factors and outcomes of this group. Only then, I'd argue, an overall formalization of the provided substantive theory could be achieved.

Fourth, the theoretical model of the emergent GT about the purpose-driven-brand suggests, that positioning a brand, which's brand strategy is built foundationally on brand Purpose, could lead to increased emotional brand attachment by its stakeholders. Although, as explored in the initial literature review, there is some evidence on internal stakeholder-alignment and provision of strategic clarity leading to increased financial return and lower employee-turnover, there is no research about the effects regarding external stakeholders. Especially two groups among the external stakeholders should be investigated further as the current debate in practice suggests that these will be significantly affected by a purpose-driven-brand strategy. First and most obvious, the consumers of those

brands. Although there is evidence that brand attachment as a concept overall has a positive impact on purchase-decision making and brand loyalty, this is not specific to higher-order purpose and the constitutional, systemic model underlying. Secondly, shareholders and investors are getting more into the focus and in practice, there is significant attention and argumentation that purpose-driven-brands and the corporations behind might perform better, at least in the long-term value creation, for the shareholder. However, there is not congruent evidence, which links those effects scientifically profound to higher-order purpose, yet.

Finally, the emergent GT of the purpose-driven-brand is providing a systemic, theoretical model; with its core elements, the according to attributes, tenets and properties and moreover suggests relations and interdependencies between the elements. Although within the systemic model of the purpose-driven-brand-theory and its underlying foundational and constitutional elements, the emergent theory uncovers causal mechanisms and relations from the data. These should be assessed further regarding their variance, manifestations and significance. Consequently, further research should investigate these relations within the substantive area of research in order to manifest and probably adjust the single causal mechanisms but moreover then, in a second step, assess these beyond the substantive area of research for the further formalization of the theory.

## **Chapter 8: Conclusion and reflective commentary**

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Concluding, I provide in this chapter a brief summary of the overall project, including a critical methodological assessment of my workings with regards to potential methodological limitations of the research findings and the emergent GT. I base this on the provision of evaluation regarding the emergent GT itself, based on the criteria specified in the methodological chapters about theory induction generally and GT evaluation specifically. Consequently, I finally draw overall conclusions, based on the experience of this research project in order to enable future researchers to improve and develop the emergent GT (sub-chapter 8.1).

Further, when applying grounded theory as a research paradigm, methodological issues and contradictions can be faced by the researcher quite quickly, especially by the novice grounded theorist. Yet, as I would argue, most of them can be linked to a narrow or even misunderstanding of grounded theory as an overall research paradigm, explicitly requiring the researcher to include her stance within epistemological and alike ontological perspectives. Thus, I do also intend with this thesis to provide a fundamental contribution to the discussion among grounded theorists on what makes a grounded theory a grounded theory. Further, critical realism has been playing only a niche-role in qualitative research, while it could be a stance for qualitative researchers to counter the widening gap and discussion between post-positivists and post-modernists, and everything in between. As a critical realist, moreover, I am convinced of any theoretical model being fallible and therefore improvable, which ultimately could be the researchers' communities higher-order purpose itself: To improve and build the body of knowledge further, for the benefit of society at large. Thus, I conclude, overall with a personal reflection on my journey through this project and hope to provide other researchers with some insights drawn from my very personal experience. This will be discussed in sub-chapter 8.2.

Finally, in sub-chapter 8.3, I close out with some personal remarks and provide my very own perspective on the research results and further close out with a recommendation to business leaders, in the context of the emergent GT of the purpose-driven-brand.

## 8.1 Reflecting and assessing the emergent GT and its contribution

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Before actually providing a criteria-based evaluation of the emergent GT, I summarize and share my overall research process in order to provide a common understanding of what I set out to do, what happened and how this formed the research results and how it contributes overall to theory and practice.

The intention of my research was to induce and provide a framework, theoretically grounded in data from practitioners, about the concept of the purpose-driven-brand. The current debate in practice and the gap in the theoretical body of knowledge are suggesting that this theoretical model could enhance and contribute to theory and practice alike. Therefore, I first engaged with the overall literature for two purposes, with the initial literature review. First, to critically review the existing body of knowledge and identify potential theoretical models which can explain the phenomenon observed in practice. This has been my first research objective and the initial literature review provided a valuable source indeed to identify existing theory.

Further, as a second objective of conducting the initial literature review, it allowed me to narrow the research focus towards a substantive area of research. This is crucial when applying a GT methodology; the objective of the methodology itself is to induce new theory, grounded in data. As such, the framing through an initial literature review allows and enables the researcher to define the substantive area of research in a way, which allows to collect data from within that area and induce consequently new theoretical knowledge within the area. The second purpose of the initial literature review was to profoundly build a comprehensive overview of scholarly work contributing to the concept of higher-order purpose in relation to brand strategy. With the initial literature review, a gap in the existing body of theory could be outlined and the substantive area of research derived. Although there has been some research and knowledge about the conceptual idea of higher-order purpose, its actual constitution, tenets, properties and moreover its position within strategy development on for-profit organizations have not been assessed already. Thus, I framed my substantive area of research to span among the strategic framework of the for-profit corporation, regarding the role, development and causal mechanisms and relations within such a framework.

Beyond this primary objective, I also identified some publications from practitioners about higher-order purpose in the context of strategic corporate management and brand strategy, which's review I postponed to after the empirical work and theory induction have been concluded. This, in line with the guidance of conducting a CGT, should avoid any preconceptions or pre-framing of the emergent theory. After the theory has emerged, I used this previously identified literature to review and assess its potential impact and influence regarding the emergent GT. Most of the insights which I could derive from the practitioners' publications have been confirming the theoretical construct, which emerged from the empirical data. Some other aspects have been added then to the theoretic construct, however, have not changed its overall construction, relation and mechanism as such.

In order to achieve my second, third and fourth research objective, I moved onward into field research and data collection. The actual empirical work has been realized through the conduction of 42 semi-structured interviews with managers and executives from for-profit organizations, which claim to be purpose-driven or possess and deploy brands which are purpose-driven. To apply semi-structured interviewing as data collection method has proven to be of high value; on the one hand, it allowed to guide the discussion, especially as the research went further and the core category emerged, but on the other hand also, as it gave room and freedom for further discussions with the participants, which uncovered significant patterns. Those patterns have been of significant help, when it came to the data analysis and interpretation, as they provided latent structures and context to the managers' arguments, which enriched the interpretation and abstraction throughout the research. On purpose, I included some participants, whose role is an advisory role to such companies and who claim to advise on purpose-driven-strategies in corporations and brand strategy overall, in order to include their conceptual models, which they might apply in their practice. All those participants have been sampled in-line with GT's core tenet of theoretical sampling until the data and the emergent theory, grounded in that data, were not advanced by new insights and knowledge any further. This state of theoretical saturation closed the empirical fieldwork and I began to construct the overall theoretical, systemic model of the emergent GT. The

empirical work and the generated data's interpretation, through the coding process of CGT, led to the final model of the GT of the purpose-driven-brand. Although writing up, coding, memo writing and sorting are paralleled processes in GT, the final writing up in the thesis was conducted after I had developed the construct separately before. During the final writing up, no significant changes to the model were made, however, as a process of re-writing and therefore also re-thinking and re-interpretation some elements of the emergent GT's systemic model were enhanced by this 'double-writing-process'.

Finally, the discussion chapter related the research's findings into the broader context and with the extant theories, within the substantive area of research and it became clear where the new emergent GT would contribute, add or improve the existing body of knowledge.

Concluding, the research objectives (RO) could be achieved, also and probably foremost thanks to the choice in methodology for CGT. CGT provides a guiding, yet an open set of methods and research tactics, which allowed to integrate the existing body of knowledge from practitioners' literature contributions, with the most significant contribution, the empirical findings of this study. Thus, my first research objective, to identify potential tenets of purpose-driven brands has been achieved through reviewing the existing body of theory initially but allowed to suspend the contributions from practice and to treat these as another source of data after the GT has emerged from the field research's data of this study. This led to an integration of the existing body of knowledge, from theory and practice alike, while setting the focus and emphasis on the empirical findings of this study. Thus, my first research objective has been smoothly embedded in the overall resulting grounded theory (RO\_1). Also, the methodology allows, through its theoretical sampling strategy, to saturate open categories and concepts, while staying open for new incidents from new data. This combination has allowed me to not only provide a theoretical construct of the purpose-driven brand (RO\_3) but to further contribute with the definition of the normative, strategic framework of the firm and bridge the gap in the literature between marketing, brand and corporate strategy, in the context of higher-order purpose and strategy overall (RO\_4). Further, the methodology, and more precisely the semi-structured interviews and theoretical sampling in combination, have allowed to clearly

identify the managers' motivation behind their actions and initiatives, by uncovering their main concern, their resolution of it through the core category (RO\_2) and to finally induce the theory from those central elements of the theory.

### 8.1.1 Contribution

As a contribution to both theory and practice, I introduce an original, substantive theory, grounded in data, concerning what higher-order purpose is, in the context of the brand and corporate strategies of a for-profit corporation. I provide an explanation of the tenets of higher-order purpose, the elements and process of its construction and its properties, as well as the causal relationships within the context of the developed theoretical model.

#### Contribution to theory

The original substantive theory explains in detail how the embedded generative mechanism, originates from the participants' main concern (*Balancing interests*) and, through several interlinked relationships and elements within the model, ultimately steers and guides the participants' actions and managerial initiatives, which are represented in the GT core category of *Activism, through higher-order purpose*. The revealed core category has also uncovered how the participants use their corporation's resources and business initiatives to facilitate their personal main concern (*Balancing interests*) in a strategically aligned, concerted manner. Within the model, both brand and normative corporate strategy have been integrated and the constituting processes for both have been uncovered and described. The model provides an original systemic approach, grounded in data, that situates the concept of higher-order purpose in the overall strategic landscape of the normative strategic imperatives of a corporation, with regards to brand and corporate strategy.

This integrative view has been an ambiguous topic in the theoretical body of literature. In particular, the predominant separation in the academic literature between brand and corporate strategy has limited the explanatory value of previous research to one or the other field of brand or corporate strategy research. This study's substantive area of research was explicitly framed across both these fields of research. Thus, the research approach in this study taken made it possible to define what constitutes a higher-order purpose in the context

of a for-profit corporation, at first detached from theoretical preconceptions from brand or corporate strategy theory. Such a definition was not available in the current extant academic literature, and the definitions offered in the practitioner literature are ambiguous. Previous approaches to defining the purpose or higher-order purpose in the context of for-profit corporations have been limited to holding that the purpose of a corporation should not be exclusively focused on financial aspects. However, such approaches do not address how such a purpose is determined or what constituting elements and processes would be necessary to establish such a purpose-driven strategic approach to management. These gaps in the theoretical body of knowledge have been significantly narrowed by the induction of this substantive theory.

Furthermore, this study's findings have shown how a higher-order-purpose resides adjunct to other elements of a normative corporate strategy framework. Previous research suggested that organizations should codify their strategy among the elements of corporate mission, vision and values and principles but also acknowledge increasingly that a corporate purpose statement should exist as well. However, the current body of academic literature does not suggest how this purpose statement should be embedded, if at all, in a firm's strategy framework. My research's findings confirm that all four elements (statements of purpose, mission, vision, values and principles) should be integrated into the corporation's strategic framework. In addition, my research's findings suggest, that the corporate purpose statement serves as foundation for the other elements; mission, vision and values and principles. Thus, the purpose-driven firm should develop its purpose first to derive its mission, vision, values and principles coherently. This original contribution to theory adds significantly to previous academic literature in the field of corporate strategy.

In addition to the contribution to corporate strategy research, the findings of my study also suggest how purpose-driven brands are derived from the normative corporate strategy framework and that the corporate purpose statement is a constitutional necessity to establish the brand's purpose authentically among consumers. Therefore, he required brand management process, which results in a purpose-driven brand positioning in the marketplace, has been uncovered and systemically structured. Furthermore, the research's findings explore and explain

two exemplary case studies, that demonstrate how a corporate purpose can be transferred to brand strategies among different brand architectures (house of brands, Unilever; branded house, Patagonia). The discovery of these processes is an original contribution to brand strategy theory. Previous research and theories in the body of academic literature have not provided the procedural activities needed to position a brand as authentically purpose driven. I have also discussed the suspected positive effects, such as increased brand loyalty and repurchases through longer lasting consumer-brand relationships, in Chapter 2 and the contribution of my study adds significantly to this established theoretical knowledge. In particular, the exploration and explanation of the underlying business processes that constitute a higher-order purpose in the context of the for-profit corporation provide an original foundation to position a brand authentically in the marketplace. Current research shows that if brands claim to be purpose-driven, but lack the previously described business processes (i.e. are not based on a purpose-driven business model), highly negative consumer reactions and consequently adverse business impact can be the consequence. The discovery of these regulations in brand management to establish a purpose-driven brand successfully in the market are original and contribute to the body of academic literature.

Within the substantive theory, the identification of the generative mechanism associated with the theory's core category, *Activism through higher-order purpose*, sheds light on the foundational but hitherto ignored topic of managers' motivations to implement such a higher-order purpose. The participants' main concern (*Balancing interests*) provides an original, conceptual explanation that leads to the integration of a higher-order purpose within a for-profit corporation. Furthermore, the acknowledgment of the increasing importance to implement such a higher-order purpose in practice has been recently discussed in the literature, but without elaboration or discussion with regards to the underlying motivations of managers (see also Chapters 2 and 7). In the introduction chapter I discussed the potential conflict between being driven by a higher-order purpose and the profit-orientation of the firm. The explanation, provided by the generative mechanism, uncovers not only the managers underlying motivation, but also how they use their business resources to facilitate their main concern without negative

impact on the profit orientation of their firm. Previous research has shown that when done in a concerted, strategic approach, managing a purpose-driven organization actually can positively contribute to the monetary bottom line of the firm (*Individual interests*), while at the same time the identical business initiatives can positively contribute to societal challenges at large (*Collective interests*). The original contribution from this study is the discovery of the underlying motivation to act as corporate activists, to encounter societal challenges, through profit-driven business initiatives, not despite them. This also separates this study's original findings from previous concepts, such as TBL and CSR. The participants perceive these concepts as important, yet passive managerial instruments. These perceptions are aligned with the original intent of TBL as a reporting concept to increase corporations' transparency with regards to their business operation's societal and environmental impact and the related governance systems put in place to increase and deliver this transparency. Furthermore, the participants also perceive and describe CSR initiatives as passive instruments, which would in practice be limited to decreasing social or environmental harm that their business operations cause, but not as a pro-active, managerial instrument used with regular business activities and operations as an instrument for ex-ante planning and delivery of positive impact on societal challenges at large. What this theory uncovered is that the managers perceive their *Activism, through higher-order purpose*, as an ex-ante, pro-active approach to create positive impact on social, environmental and financial aspects through doing business; again, not *despite* doing business.

The contribution to the theoretical body of knowledge is significant, since the provided theory narrows significantly the identified gaps in the current literature, as discussed in the literature review (Chapter 2). The findings, presented in the form of a substantive theory, align with those of previous research and the findings of academic literature on the importance of an integrated, normative strategy framework and the derivation of a congruent brand strategy. In addition, the findings add significant clarity to the ambiguous discussion offered to date with regards to the role and place of higher-order purpose in brand and normative corporate strategy. Furthermore, the developed theory is an adjunct to previous academic literature in the field of CSR and the TBL concept but goes further by

adding an original perspective on managers' underlying motivations to implement and follow such a strategy in practice.

### Contribution to practice

The lack of a coherent theoretical model in the body of theory that could be applied in practice has potentially mislead managers in their application of such normative, strategic frameworks on their organizations. In particular, the predominant distinction in the current body of knowledge between normative corporate and brand strategy limits applicability to managerial practice with regards to concepts such as higher-order purpose. Thus, the model presented in this study, which integrates corporate purpose and other elements of normative strategy and brand strategy, can thus be applied across brand and corporate strategic frameworks in a coherent manner. Therefore, managers in for-profit corporations may be enabled by the theory developed to introduce a coherent, strategic framework for their organization and derive a purpose-driven brand strategy, foundationally residing on a purpose-driven business model. This original, integrated approach to develop and deliver normative strategy can furthermore provide guidance and clarity to a corporation's leadership team, concerning the implementation of a purpose-driven strategy. Evidence from previous research has suggested that such guidance and clarity can positively contribute to a firm's financial bottom line and (long-term) enterprise value (as discussed in Chapter 2 and 7). In addition, the application of this theory in practice could enable managers to manage potential conflicts in balancing the interests of shareholders and other stakeholders (*Individual interests* versus *Collective interests*). The need to strike such a balance was identified as the central motivation on the part of the managers in this study (main concern) when integrating a higher-order purpose into their strategies as a foundation for structured managerial *Activism* (core category).

The theory also contributes an integrated view on the adaptation of the overall normative framework of a firm, which is also highly relevant to practice. Such an integrated framework, which includes purpose, mission, vision, values and principles, could enhance the positive impact of strategic management of a corporation in a context where consumers, financial investors and society at large

have higher demands and expectations concerning the roles of for-profit companies and their contributions to society as both entities and members of society. These increasing demands have been observed in several studies, and the current reactions of industry associations and corporations indicate the increasing significance of such expectations in practice (see also Chapter 1 and 7).

The contribution to practice is significant, as the increasing attention towards the concept of the integration of a higher-order purpose into a firm's strategy lacked foundational aspects, a gap which has been addressed through this study's findings. In particular, the descriptions of the constituting elements, the relationships among these and the overall process of ultimately developing a purpose-driven brand strategy are original and can significantly enhance managerial practice concerning normative strategies and the formulation of a coherent brand strategy and an authentic brand positioning in the marketplace.

While the developed theory aligns with current practitioner literature concerning the purpose of a firm, it also adds a foundational process perspective on how such a purpose can be developed, and the constitutional elements thereof. The theory also clarifies the frequently ambiguous discussion concerning individual elements in normative corporate and brand strategy, with regards to higher-order purpose. Furthermore, the theoretical model presented in this work provides needed clarity concerning where and how a brand's strategic procedural elements, such as marketing mix development, need to be addressed in the process of developing a purpose-driven brand.

#### *Methodological contribution*

The application of CGT as an integrative research paradigm allowed for intense, open and reflective discussions with managers and executives, who shared not only their respective corporations' perspectives but also their personal motivations, beliefs and stance with regard to doing business and the resolution of personal conflicts in their roles. It was these personal, almost intimate, conversations that made it possible to generate rich data, which subsequently made it possible to uncover the practitioners' main concern and how they are trying to solve, or at least address, it.

As a consequence of those conversations during the data collection process, the application of CGT as a coherent and integrated research paradigm made it possible to move beyond a superficial understanding of externally visible brand positioning to develop an overall systemic theoretical model of purpose-driven brands. The paradigm made it further possible to identify causal mechanisms within the theory. CGT provides a rigorous, yet still flexible, integrated research methodology, which guides the researcher throughout the entire research process, from data collection to theorizing. The use of this procedurally clear but still open methodology allows this thesis to contribute an explorative perspective on the underlying motivations of managers and executive leaders of corporations that apply a purpose-driven business model.

From a methodological perspective, this thesis contributes to the body of literature on GT overall, as it provides an original comparison of the current versioning of GT methodologies and paradigms and explores the inherent consequences researchers make when choosing among those versions. Additionally, this thesis is based on a critical realist's paradigm, which made it possible to apply a CGT methodology to explore and explain phenomena that were observed in business practice. This paradigm also enabled the uncovering of the causal relations and mechanisms within the theory, which is crucial to enable both the reapplication of the developed theoretical model in practice and further research on the theory's consequences and effects. These causal relations, as the backbone of the developed theoretical model, could not have been presented had an interpretivist or constructivist paradigm and methodology been adopted. As discussed in Chapter 4, the clear distinction between epistemology (interpretivist) and ontology (realism) in critical realism and its coherent application through a CGT methodology, facilitated the interpretation of the gathered data during the analytical stage, while still making it possible to develop an abstract theory as an outcome of this research. The ontological acceptance of a potential reality in critical realism, in contrast to the negation of such in interpretivism or constructivism, is foundational to generate a potentially replicable theoretic model as contribution to both theory and practice. However, from a critical realist's perspective, the developed theory can be seen as fallible, which explicitly invites further research intended to refine and adjust the findings

presented in this work. As my research aim was to obtain a foundational understanding and to address the identified gaps in the literature, choosing this paradigm enabled the research project to develop and provide a theoretical model, grounded in data from practice, intended to add clarity and knowledge to both theory and practice.

### 8.1.2 An assessment of the emergent GT

As elaborated in the methodological chapters of the thesis, there are different ways to assess theory in general and GT specifically. I start with the ladder and then reflect its overall theoretical modelling.

In CGT, the participants' main concern is central to the overall study. The main concern is the element of the GT, which is uncovered through the empirical method (in my case expert interviews) and therefore also serves as the central element to the interviews. In CGT, the researcher is trying to assess how the participants are resolving the main concern and derive the core category of the GT from this. Thus, the main element of any CGT is the core category, as it is directly related to the main concern, and therefore, this relation provides a resolution to the participants' main concern. Thus, the core category needs to be assessed in order to allow for further evaluation of the overall emergent GT. Glaser (1978) and Holton and Walsh (2017) provide an assessment based on five criteria, which I'll be applying in the following to the emergent GT.

First, the core category *Activism (through higher-order purpose)*, is central to the resolution of the managers' main concern of balancing (conflicting) interests. It is through their activities, personally but also the activities following out of their managerial decision making by other members of the organization, that they are trying to facilitate their main concern of balancing (conflicting) interests and therefore moderate between individual and collective interests from the corporation's stakeholders. Secondly, the core category was mentioned explicitly and frequently throughout all interviews and therefore, thirdly, has proven highly relevant to the overall theoretical construct; but specifically, also towards the other categories and relations. Fourth, the facilitation as a personal, mental way of dealing with the managers' inner conflict is explanatory towards their main concern, and this has been (fifth) also been observed throughout all interviews

and can be derived from the overall data as a constant pattern. Concluding, the core category is central to the theoretical model and governs the other categories and can explain the different consequences within the emergent GT.

The theory itself, as I set out to develop, is a substantive GT. Thus, its applicability might be limited to the substantive area of research from which it emerged. Substantive formalization, however, can be claimed, as, after the emergence of the core category, different originations and managers were sampled; with the application of theoretical sampling as a method of GT, and therefore different substantive units have been sourced, within the same setting in terms of their role as managers and executives. More specifically, they all are in leadership positions with their own or a non-founder-led organization, and thus, strategy development and its consequent managerial activities are their daily routine. Secondly, they all are in decision-making power; sometimes also the execution of such decisions, regarding the brand strategy of the brands stated in the overview of the sample in the methodology chapter. Thus, the substantive formalization from core category and main concern towards a substantive GT can be claimed for the emergent GT (Glaser & Strauss 1967; Walsh, 2015; Holton and Walsh, 2017). Further, the emergent GT has been contextualized within the substantive area of research as it was as such re-applied to the extant knowledge and body of theory regarding corporate and brand strategy theories, central to the substantive area of research (Urquhart et al., 2010). Also, the emergent theory itself was built and conceptualized from a descriptive to a theoretical level through the researcher's interpretation and is abstract of the descriptive character of the participants' voice. Although, it is acceptable and advised, that in order to explain and elaborate the emerging theory, exemplary data will be interwoven into the presentation of the theory in order to enhance readability and ensure conventional interpretation of the theoretical model (Holton & Walsh, 2017; Urquhart, 2013). Finally, the presented emergent GT can be claimed to be explanatory, in some instance, even predictive. Explanatory level of theorizing is reached when the provided theoretical construct explains the researched concept. The predictive level is achieved when the theoretical construct explains and provides propositions, which do not have to be justified causal explanations though (Gregor, 2006; Holton & Walsh, 2017). The emergent GT does explain

the overall construct and elements of the purpose-driven brand, which was the original research aim of this study, but also provides an overall framework on the context of its development, the motivation behind and also causal mechanism and propositions through its proposed relations and the overall contextualization of all tenets within corporate and brand strategy's extant theory. From a critical realist's stance, theory induction towards substantive theory involves the researcher's engagement with what can be discovered or observed (the interviews); secondly the interpretation through analysis of the generated data (the coding process); and finally the abstraction from the descriptive data towards theoretical elements, which are related through causal processes and explanations (the theoretical, systemic model) (Benton & Craib, 2011). Also, this can be claimed for the presented emergent GT of the purpose-driven-brand.

Concluding, the presented GT of the purpose-driven-brand is a theoretical construct, whose contributions can be adapted to theory and practice within the substantive area of research. It's the abstraction, and theorizing character provide the necessary, constituting elements and further it holds, although probably somewhat limited, causal mechanisms and relation which ultimately enhances its explanatory potential. Thus, it can be claimed that the emergent GT is relevant and should be contributing to the overall body of theory within the substantive area of research.

## 8.2 Methodological challenges in grounded theory, a critical realist's personal perspective as a novice scholar

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Within GT, there has been a lively debate about its fundamental underpinnings and moreover its applicability to different research contexts. Much of the discussion can be quite confusing as it sometimes is contradictory and consequently not fully comprehensible. Although there are indeed many scholarly resources the researcher can turn to, in order to build an overall understanding of the methodology, there has not been a contribution which allows to compare all versioning of GT relevant today and more precisely the underlying assumptions. Thus, I want to contribute to the theoretical body of knowledge within the grounded theorists' world a comprehensible and informative overview of not only the origins of GT, which has been discussed in length and depth

already, but moreover on the underpinnings and its consequent differences in the three main routes of GT. Thus, I have elaborated the commonalities (points of parity) and disjunct elements (points of difference) among all three versions and explored each's underlying assumptions. Concluding, one can state that the dispute among the three camps of grounded theorists is mainly related to fundamentally different positions in their scientific, philosophical position and its consequences. The, sometimes also emotional-laden, lively debate would gain significance and scholarly ethically welcomed transparency, where all participants would be more explicit about their epistemological and ontological positions. Sometimes, one can wonder if the protagonists are themselves clear about their overall position, as the debate appears to be often lacking transparency and, as said before, even becomes emotional. However, it might be also due to a lack of understanding of each other's position that the debate becomes somewhat abstruse and confusing. Especially the argument between the two main versions applied today, Constructivist GT (ConGT) and Classic GT (CGT), seems to be governed by misunderstandings. ConGT, as the titling here suggests, is fundamentally based on a constructivists' paradigm. Although being critiqued more generally to be confusing epistemology and ontology, an entirely understandable and acceptable methodological paradigm for research, if – and only then – the researcher clearly positions herself within the constructivists' stance of the philosophy of science. On the other hand, CGT, highly disputed and sometimes even discredited as over-simplistic positivistic, especially from constructivist grounded theorists, provides a fully comprehensible and acceptable paradigm and congruent methodological way of conducting research. Yet, and that is something classic grounded theorists can certainly also improve on, again only when making explicit one's philosophical stance.

As I elaborated in the chapter about scientific inquiry and philosophy, critical realism is, to my personal surprise, a philosophical stance which could suit many researchers, especially within qualitative methods. It is a clear distinction between epistemology (interpretivist), and ontology (realist) would allow many qualitative researchers to produce research results based on the interpretation of data, context and situation while accepting a liberal worldview towards the ontological character of reality. It only would require researchers to accept that a

central characteristic of critical realism is to accept therefore that approaching knowledge and understanding a potential reality in the sense and idea of essentialism and nominalism alike is fallible. Therefore, all human-made contribution to the body of knowledge is generically only provisional. From a novice researcher's perspective, I would argue that this humility would be a high starting point in an ever-increasingly complex and interwoven world.

### 8.3 A final, personal commentary

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Business corporations are becoming increasingly under pressure from an increasing part of members of society. The reasoning behind these developments might be manifold, but some of them are somewhat home-made. There is a vast scientific body of evidence supporting that capitalism and free markets systematically have brought individuals' welfare and social peace through trade and exchange. Nevertheless, the increasing inequality in the participation of its welfare-produce is one of the core arguments, scientifically backed, against its mechanisms, as is the unfair externalization of its costs to other parts of society. However, the flaws within the system are created through human mankind and therefore, should also be conquered and adjusted through human mankind. But this leads to second observation and takeaway I learned during the conversations with the managers; it is always the others, it's seldom us. We don't want to change and probably compromise on personal achievements. We expect others to do so. If we keep such a mindset as paramount to our system, which generates our welfare, nothing might change. As one can observe, the flaws within our system might lead to an overcoming of the overall system, questionable to the better. Thus, I agree with the managers' opinion it is us, ourselves, within our organizations who should think about how we could change our behaviour, processes and consumption and the production of such for the better. Throughout this research, I was lucky enough to engage with leaders from around the world, with very different backgrounds, but all share a central purpose; to use their daily activism to use business as a force for good, to ensure that being part of our free-market, capitalist system does prove we can reduce and probably eliminate its flaws from within. The higher-order purpose theory may provide a foundational, idealistic framework for others to join in – and as said before, I'd welcome anybody to join improving the theory and developing it further. To close with the

words of Handy's closing remark from the 2017 Global Peter Drucker Forum: "If not us, then who? If not now, then when?" (Handy, 2017).

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## **Appendix**

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- A. Participant information and invitation letter
- B. Example of fieldnotes
- C. Example of coded fieldnotes

## Appendix A: Participant information and initiation letter

Dominik Brendel | PGR Program at the University of Gloucestershire

| Dominik.Brendel@connect.glos.ac.uk

Cologne, Germany, 27.03.2019

### **Expert Interview request, research on purpose-driven-brands**

Dear (...),

My research aim is to explore the phenomenon of for-profit companies and organisations, which apply an idealistic, altruistic meaning at the core of their business and brand strategies, which I refer to as higher-order-purpose driven brands. With this research, I aim to provide theoretical clarity and understanding of the concept of the "purpose-driven brand". This concept is based on the idea, that brands could or should provide a higher meaning, beyond functional and emotional benefits to their customers. The theory will be available to the public in form of a Ph.D-thesis and will therefore be accessible for all people interested in the subject.

My individual and personal motivation, beyond the interest in the subject per se, is to achieve with this study a Ph.D-thesis which might be awarded for this research project.

#### **(1) How it works – what I would need from you**

Ideally, we might be able to set up a ca. 60-minute discussion (Skype or telephone conference, or meeting, depending on your availability) – which will not be recorded. I am taking notes during the interview on your thoughts and expressions and will use those to combine these with what other interviewees have said and abstract towards a higher level of theory. Thus, the information you might share with me will not be published directly or quoted, despite exemplary quotes which I might ask you to disclose (please see (2) for details on privacy and data security).

I am conducting semi-structured interviews, which means - in practice - that although I do have a supporting interview guide for the interview (please see also (4)), I would be pleased to engage into an open discussion with you to understand your point of view in depth and breadth on what "higher order purpose" means, how and why brands implement it, with regards to your business and brand strategy.

The participation in the research is of course voluntary and only information should be shared, which the participants are allowed to share with external persons. The participants should, under all circumstances, be reflective about sensitive information and data they might share - and be aware of their organization's rules, procedures and values beyond.

The participants can withdraw or deny parts of the research or to participate at all at any time, upon their own, free decision or if being part of a company or organization their requirements. Although, when searching for research participants I am looking for decision makers and managers in organizations, which can decide for their own to participate, it is important to reflect such a decision also in the light of potential additional approval the participant might need to seek within or outside their organization, depending on rules on procedures prescribed by the governing body of the organization.

(2) Secrecy and non-disclosure

Please note, it is of upmost importance for me, to ensure you, that all information you might share will be held in secrecy and will never be quoted unasked. If there might be the necessity of a quote from you, to strengthen the research, be assured I would re-ask your confirmation and permission to quote you. Thus, no organizational or company information on brands or strategy (or whatever you might share) will be published in relation to you or your organization or your brand, unless you might give me explicit written permission, after or during the interview, to do so. However, I would ask for your permission already to refer to you as an interview partner, yet without contextualization of the shared information. The personal information I would include in the PhD thesis would consist of your Name, Job Title or Role, Company or Brand you work for, address of your company and the date and length of the interview.

The overall data (e.g. notes, personal details (...)) will be stored on a password-protected, encrypted computer and a data back-up is taken on a password-protected, encrypted external storage locally.

(3) More background to my research

Having worked myself in marketing and brand management for over a decade, I decided to switch back into academia and contribute insights and know-how to brand strategy. More precisely, when working at P&G, I was intrigued by the idea of Purpose-driven brands.

However, I soon found out, despite that there are many ideas and concepts from practice, there is no integrative framework (aka theory) which might enable marketers, across industries, to build purpose driven brands themselves. Thus, I am applying a Grounded Theory-methodology to my PhD research, which basically uses the know-how of experts, like you, in order to abstract and transfer single ideas into an overarching theory.

(4) Interview content: Guiding questions, I would like to discuss with you

More and more brands (and businesses) can be observed to claim being “purpose driven” – I would like to have an open discussion with you about this idea from practice, so the following questions can be a guide, but certainly should not limit our discussion:

- How would you define higher-order-purpose in relation to for-profit companies?
- Where would you locate purpose in the context of management practice? Would you describe purpose as an element of e.g. business strategy, brand strategy, or both, or something else?
- Why would a for-profit company seek an higher-order-purpose- i.e. an objective beyond making profit per se?

Thank you already for taking your time to engage with me on this in advance!

Looking forward to our interview, please do not hesitate to contact me anytime of your convenience, if you have any question or concern.

best regards,

Dominik Brendel

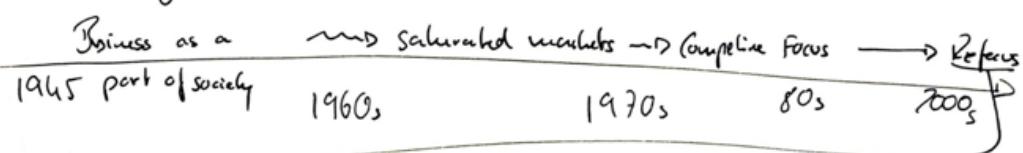
Disclaimer: The research has been approved by the University, but the contents and opinions expressed in this research are those of the researcher and in no way represent those of the University of Gloucestershire.

## Appendix B: Example of fieldnotes (sensitive information censored)

2:

Purpose is about active change. It's a fundamental idea beyond shareholder value, rather it is about the change your business wants to achieve.

### Time changes



- - Loss of faith in the government and NGO resources and their power to change
- Consumers and employees alike (which are the same persons) expect companies to do (actively) good for society
- Digital Media (e.g. SoMe) has increased transparency significantly and is now expected.
- Consumers are expecting the brands they buy to i) do no harm and ii) do good.

### Corporate vs. single brand level

- ⇒ consumer engagement happens at the single brand level and then might lever up towards the corporate brand behind
- ⇒ Brand - architecture

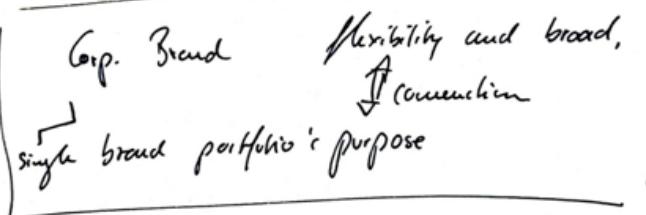
7

From House of brands to branched house

These are no single brands from a consumer perspective anymore. Although companies are at a different level, but they are all very much interconnected

⇒ first the corporate brand is defined and then the single brands are woven into the purpose-networks

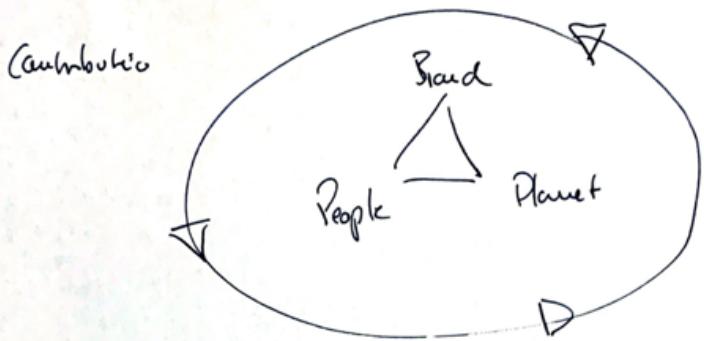
then you re-work the single brand, even if that means changing or adapting the single-brands-business or strategy model



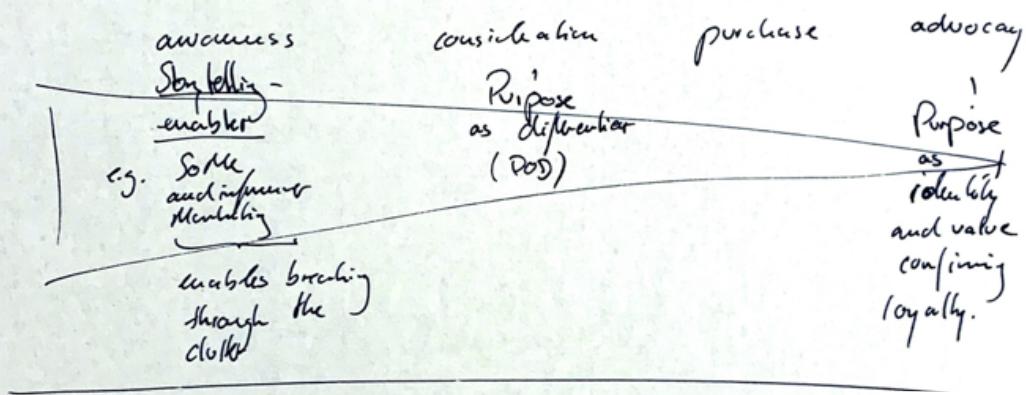
Implementation:

i) long-term change: requires change and total commitment.

ii) financial performance has been the mantra and what employees have been trained  
→ So financial performance must be re-stated as a result



= increases consumer's trust and therefore  
brand advocates



### B-Corp - Certification

2011:

- acquired
- the B-Corp idea gained interest and traction within the organisation
- work on purpose has been started already in the 90s → the match with B-Corps ideas made it easy.
- The B-Corp framework makes transformation efforts tangible and actionable

3

⇒ The certification process enables the organisation to work and pursue, concrete and tangible actions and questions

⇒ Leverages and catalyst for moving the organisation towards the objective

body of the business certified today, becoming

### Corporate brand and single brands

Although starting at the corporate level,  
the objective is to build

⇒ The purpose of the single brands is already worked on and implemented

⇒ used to guide the

### transformation

#### Purpose vs. CSR

↳ passive and reactive

↳ not related to business / only a sideshow to talk about

↳ Fundamental change to the actual business model ⇒ the brand and product marketing actions follow as a translation then to build the image of the business model

Purpose is much broader and deeper

- 
- Public listed company => the long-term and short-term balance is difficult to be managed
  - > It's an CEO challenge to engage with shareholders in order to convince for the long term change

## Appendix C: Example of coded fieldnotes (sensitive information censored)

What is purpose?

- Organizations are part and actors of society [member of society] Corp. as member of society
- TBL is a starting point for reflection where the role of the organization in the society is [Role in society] Purpose is social
- Then purpose can be social or at least, in terms of defining the difference your brand is trying to make. This is driven by customer orientation market segments needs AND values. Value-driven Change / Implicit
- "It then must be about positive change, positive about a change your segment seeks." [Change / Impact] / Activity
- Purpose is beneficial for brands, because it internal alignment Financial (④)
  - i) renders your organization and all external stakeholders around your stories and products => End: you gain the fit to your market segments. Customer orientation / Brand-customer relation
  - ii) Marketing (4Ps) then drives from your brand [deduction from the purpose] (vs. result from marketing) to mix P-(relation) superior purpose
  - iii) creates an emotional bond on values -driven and loyalty in terms of purchase and recommendation Brand Advocacy and brand advocacy Recom. / Advocacy
  - iv) creates organizational efficiency internal alignment (④) as actions are targeted

## \* CSR vs. Purpose

CSR <sup>passively</sup>

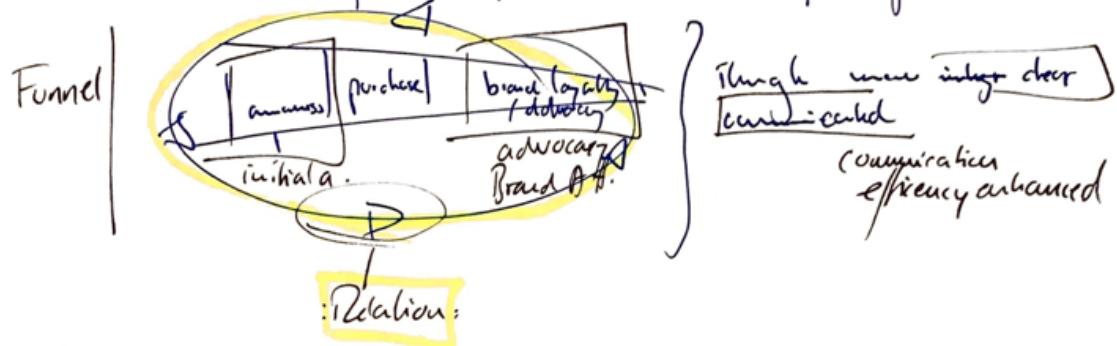
- i) CSR is about managing impact down, but it's a cost center <sup>financial loss</sup> <sup>? Activist</sup>
- ii) Purpose is intended to build a base for marketing and therefore business, it's a profit center <sup>Financial gain</sup>
- "CSR as it is currently (and classically) managed is a passive role of <sup>SG</sup> <sup>Activist</sup> <sup>Classical</sup> loss coming and compliance with <sup>Qute</sup> regulations and laws. <sup>compliance reg. laws.</sup>
- Purpose is (pro) active and about establishing new ways and scaling to create change. <sup>Activist</sup> <sup>Social</sup> <sup>Yet, both today can be seen as becoming</sup> <sup>Impact</sup> integrated under the idea

## What is the impact on the brand funnel?

"Overall, brand purpose must be delivered across <sup>Qute</sup> <sup>Marketing Mix</sup> if you are a purpose driven organization, the delivery of it must <sup>Delivery</sup> become tangible in a coherent and consistent <sup>coherent</sup> <sup>tangible</sup> way, i.e. across all your marketing <sup>strategy</sup> and operations (marketing mix) <sup>realization</sup>

(ii)

Then it has different effects across all final points.



Purpose, though most became mass-market available. Today it is a bit more of a [turning they] for consumer segments. Prevalence

However, often those purpose driven brands, who then are challenger brands, however they are seeking a broader societal change and want the competition to follow leadership and example. (e.g. Organic food) They then do not define themselves as challengers, rather enablers to change society and markets.

- " Purpose is [Positioning | and PoD] at the beginning, but when successful in changing the society/market, the purpose remains as clear positioning of a brand comprising the higher purpose" Always  
Society  
Market  
Others  
Positioning  
as well

Purpose [business cases] must become broader and  
 more integrated, so it will become main stream. across market.  
 Unless the business case isn't profitable, it may  
 become indeed an marketing fact. So, to establish  
 the idea of purpose more inclusively and  
 globally, it must become a clear business  
 case.  
long-term  
 => It's a long-term play in a short term  
 financial game. " Market-driven  
 Purpose = business impact  
Financial fin  
 Short term  
 Quote

Conflict in interests