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Leadership in Managing and Revitalizing Brand Identity

Yukiyo IKEDA

Studies about brand management have focused on the brand identity theory. Brand identity acts to attract the firm's stakeholders and consumers. In the process of building brand identity, the leader of the firm should take an active role to manage the organization. The problem is how the leader exercises leadership to manage brands.

The brand is a source of strength of the firm. Once the firm has built a well-known brand name, it is able to sell products easily, and make alliances or relationships with other companies. However, the firm can lose its brand power as a result of changes in the market and environment.

This study investigates the corporate brand. It analyzes the roles of leadership, which is exercised by the top management through the process of revitalizing the corporate brand. Based on a case study, six roles of leadership in revitalizing brand identity are suggested.

**Keywords**: brand identity; leadership; organizational culture; brand disadvantage; brand advantage

1. Introduction

Although there have been studies on leadership, the issue of revitalizing brand identity has never been discussed. This study focuses on how and where leadership controls brands. The reasons are outlined below.

First, a change of environment takes many forms, such as the Internet, enabling the consumer to determine the actual conditions of many brands. Such information includes what the company intends to report, what the company does not intend to release, and or has been keeping from others.

Consumers wish to know more about the products and services that they intend to purchase, yet their ability to acquire such information is limited. Variations in information give consumers different perceptions of an organization's brand. It is important for companies to promote a consistent image in the long run rather than to manage product brands by short-term tactics (i.e. changing a product's appearance). Thus, the role of managers in the company
is important. This study suggests a new role of leadership not discussed in conventional leadership theory, which is to manage organizational brand in the company.

In this study, new keywords are used to explain the core framework of brand management, namely “brand disadvantage” and “brand advantage.” The following section examines the related literature. A new viewpoint of leadership in revitalizing brand is then discussed. After providing a framework for this study, leadership management of brand is discussed based on a case study.

2. Literature Review

2.1 Leadership on Brand Management Theories

In brand and marketing theories, brand has been classified into corporate brand and product brand (Okada, 1997; Murphy, 1994). Such studies have addressed mainly product brands (Aoki, 1998; Onzou, 1995: pp. 154-172). Discussion has focused on corporate brand in Japan in recent years (Aaker, 1996: pp. 107-136; Katahira, 1998a: pp. 78-103; Kim, 1998). One such study analyzed the relation between corporate brand and product brand (Brown, 1997).

The term “brand equity” (Aaker, 1991: pp. 1-33) means the power of brand based on the idea that brand is an accumulated resource of a company. However, the theory of “brand equity” was considered only within an existing brand, and building a new brand was not examined. The terms “brand identity” (Aaker, 1996) thus arose. The two positions can be seen in theory: brand identity differs from its image (Kapferer, 1992; Aaker, 1996: pp. 67-106), and it is hard to make a clear distinction between brand identity and its image (Kobayashi, 1999).

The first position is that brand image expresses perception to the consumer in the present such as “How the brand is now perceived,” and brand identity expresses the brand image that becomes a goal for the company such as “How strategists want the brand to be perceived” (Aaker, 1996: pp. 71). When brand is regarded as the organization’s name or the source of reputation, brand identity equates with “organizational identity,” because organizational identity is the source of images in the process of interaction between the organization and external people (Hatch and Schultz, 1997). Organizational images can be changed by changes of organizational identity. Also, image, culture, and organizational identity affect each other. Hence, brand identity can be defined as a comprehensive image creation system that includes organizational culture and its identity. Organizational identity is created by employees’ efforts and experiences under the leader’s management vision and leadership (Hatch and Schultz, 1997). It is clear that identity is related to the firm’s or leader’s strategic intention (Barney, 1986).
The second position takes the viewpoint that images and identity are hard to distinguish from each other, because images and identity are part of an image creation process. Visionary leadership acts as a communicative mediator between identity and images. The leader contributes to deliver the firm's culture or identity as a "projected image" of the organization when dealing with external groups (Hatch and Schultz, 1997). Then, institutional intermediaries such as the mass media translate such "projected images" into "refracted images." Consumers evaluate the firm's image based on these two types of images and direct experiences with the firm. Finally, this image becomes the corporation's reputation. These conditions show that a company should set ideal images for itself, and that corporate reputation is created in the process of interaction with consumers.

In this study, brand identity is considered from the aspect of, "How strategists want the brand to be perceived" (Aaker, 1996: pp. 71). When it has been translated and evaluated by consumers or external people, the brand identity will become the image of the company. Therefore, the company can shape the image of itself.

In previous theories regarding brands, it was considered that the brand should be managed through teamwork of middle management (Oliver, 1993: pp. 69-99), the brand manager, the category manager, and the top management (Aaker, 1996: pp.339-358; Katahira, 1998a: pp. 149-150; Katahira, 1998b, Hatch and Schultz, 1997).

In the management of brand identity, leadership was considered in one of the following two ways.


Concerning the brand of a company, the theory of corporate identity (CI) stated that the leader takes an active part in defining the brand identity. CI resembles organizational identity, with differences only in the style of expression between visual forms and words (Rindova and Schultz, 1998). Tanaka (1998) concluded that retaining and building of brand were shared among members of the organization, especially among top management through their "tacit knowledge" in the organization. He noted that it was important to a) Set a management philosophy, b) Transform the management philosophy into lan-
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guage, c) Share the management philosophy among the members, and d) Make a new framework so that decisions as to daily business reflected the management philosophy.

Hatch (1993) showed that meaning, identity, action, and image were included in the domain of cultural dynamics. Some studies indicated that the culture in an organization plays an important role in managing brands and becoming the source of images (Aaker, 1996), and that the top management can manage brand identity by controlling organizational culture. Especially, Decker (1998) stated that it is important that managers strive to manage organizational culture. Thus, the top management of an organization has a very important function in managing brands.

In general, these views are based on incremental management. But many studies have concluded that culture is hard to change in content, while few studies have examined the leader in managing brands in the process of readjusting or reshaping. Organizational culture can be changed radically only when many members of the organization are willing to change, otherwise cultural change is superficial or incremental (Gagliardi, 1986).

On the other hand, it has been suggested that the leader can make adjustments to brand identity inside and outside of the organization, and can be "a communicative mediator between identity and image" (Hatch and Schultz, 1997). For example, Aaker (1996: pp. 339-358) states that "Brand-building imperatives include creating a brand identity, coordination across the organization, coordinating across media, and coordinating across markets." Sawa (1997) mentions the importance of the relationship with stakeholders, when the company executes its CI. Katahira (1998a: pp. 79-93) showed that the penetration and management of brand identity consistently were essential for customers, stakeholders, and members of the company. In addition, there has been discussion on the effects on the organization of external people (von Hippel, 1988: pp. 117-122). The sources of innovation are customers, makers and suppliers. In this case, products express brand identity. If brand identity is based on corporate culture, it is possible to argue that a company can dominate the market by considering conformity between its culture and the surroundings (Kotter and Heskett, 1992: pp. 44-57). The key player inside and outside of the organization should be the leader (Aaker, 1996: pp. 107-136). Hence, the organization itself is the brand.

Based on an examination, the leader should manage inside of the organization to maintain and build relationships with stakeholders as well as ensure consistency in brand identity.

This study analyzes how to change or revitalize brand identity. Previous discussions on changing brands (Aaker, 1991: pp. 238-262; Ogawa, 1994: 
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pp. 120-127; Keller, 1999) have focused on tactical viewpoints based on product brands or consumers’ images such as “reinforcement of marketing action in existing markets” (Ogawa, 1994: pp. 120-127). Aaker (1991: pp. 238-262) mentioned “increasing usage, finding new uses”, and so on. Keller (1999) argued that revitalizing a brand requires a general approach such as “increase quantity of consumption, increase frequency of consumption.”

As stated above, revitalizing brand identity based on organizational culture tends to be superficial and hard to change. It is perhaps easier to control artifacts (e.g., products, advertisement and publications) than to change culture and organizational identity. But organizational identity and culture are important for creating a consistent projected image (Rindova and Fombrun, 1998). Based on this idea, this study sheds light on managing brand identity through leadership.

2.2 Leadership in Innovation

Studies on organizational change and the role of the leader have produced the following three viewpoints.


It has been considered that the leader who recognizes the necessity of reform tactically changes the organizational structure, the standard for judging work performance and so on, to adapt the company to the environment. However, it is difficult for these reforms to be shared in the company. The reforms instituted by the leader should be understood by the organization’s members, and the new management philosophy and strategy should be turned into actual concrete actions. However, the latter theory proposes top-down leadership, making it difficult for members to carry out concrete actions based on the management philosophy and strategy. In this case, only the leader achieves self-satisfaction.


Here it is also considered that the organization tries to fit in with the environment. The theory proposed by Weick (1979) argues that organizational change should be implemented at middle management level. He considers that organizational change is attained in a three-step process: “Variation,” “Selection” and “Retention.” In this case, it is not possible to decide what organization the company should build beforehand, because the middle management adapts the organization to fit the environment naturally.

The top management defines the management philosophy and the paradigm of the company. These penetrate the organization through the power of the middle management. Through the process, the organization adapts to changes of the environment. The leader becomes a "symbolic leader," and through his existence, he expresses the management philosophy.

In this way, in conventional arguments regarding company innovation, the leader aims to adapt the organization to the environment by changing its culture and the paradigm. However, there has been no discussion on whether leadership involves a managerial role to strive for an appropriate ideal image and brand identity.

2.3 Roles of Leadership for Revitalizing Corporate Brand

According to former studies of brand theory and corporate innovation, leadership plays the following six roles in brand revitalization.

(1) Defining and spreading the management philosophy (Aaker and Joachimsthaler, 1997; Tichy and Cohen, 1997; Tanaka, 1997).

The leader has an important role in providing a vision for members. The management philosophy and the sense of values are clearly conveyed by the leader to the organization, encouraging decision-making by all members of the organization (Tichy and Cohen, 1997). Tanaka (1997) stated that the key issue in managing brand is making decisions in marketing according to the values and principles of the organization, and the management philosophy of the brand.


Motivation of members should be improved by evaluating them fairly. This "boosts productivity through people" (Peters and Waterman, 1982). One way is to evaluate human resources based on their strengths rather than their weaknesses (Yoshihara, 1986: pp. 203-221). Thus, the leader actively encourages members to take risks in their work.

The standard for personnel evaluation helps suggest what type of people are required by the company and leader, and how members should try to solve problems.

(3) Network formation (Aaker, 1996: pp. 339-366; Kanter, 1983; Kotter and
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This is the network among the employees, customers, and stakeholders of the company, and means networking among the members of the organization and people outside (Sakashita, 1992: pp. 107-134) of the organization. It is known as a “high organization operability” (Okumura, 1996). Leaders strive to develop relationships with their stakeholders: “Most managers care deeply about customers, stakeholders, and employees” (Kotter and Heskett, 1992: pp. 141-151). The formation of the network is based on emphasizing the roles of leaders.

(4) Persuading members to change (Nonaka, 1985: pp. 120-177; Schumpeter, 1928).

This viewpoint is based on the preceding study about corporate innovation, and can be considered as a “Strategic policy to overcome resistance to organizational reform by members of the organization” (Nonaka, 1985). The leader plays an important role in overcoming the resistance of members to organizational change (Schumpeter, 1928).


Brand identity is derived from organizational culture. Symbols are a useful tool to show identity and promote the culture. This viewpoint is based on organizational symbolism (Pondy, 1983). A symbol is a sign which has been given some meaning, and it includes the logo of the company, a handshake, or an original phrase or slogan (Sakashita, 1999). The leader manages members’ views through the symbol, and acts as a “hero” of the company or as a symbolic manager (Deal and Kennedy, 1982: pp. 37-57). In other words, he is a symbol. Moreover, a brand is recognized and evaluated through the symbol by related parties. Thus, the leader becomes symbolic of the organization. Aaker claimed that some organizations are blessed with a charismatic leader, perhaps the corporate CEO, who can both “represent and express the organizational associations effectively” (Aaker, 1996: p. 127). In this way, the leader serves as a symbol of the organization.


A visionary leader is a communicative mediator between identity and images (Hatch and Schultz, 1997). The creation of corporate image and identity, such as corporate ability and corporate responsibility, reduces transaction costs. The leader plays the main role in managing a corporation’s image.
Corporate efforts to meet social needs and organizational effectiveness are two major methods used by firms to create a good reputation (Riahi-Belkaoui and Pavlik, 1992) among various onlookers. In the study of Brown and Dacin (1997), the following two types of corporate association were addressed: "corporate ability (CA) and corporate social responsibility (CSR)." The former is the ability to manufacture the products of the company, while the latter is associated with the social responsibility of the company. Also, corporate images are influenced by internal factors of the company which convey images and communicate with the environment. Such images are "ideals inherent in the brand." And "managers act as the producer when confirming the ideals and conveying them to the customer" (Katahira, 1998a: pp. 149-150).

In the following chapter, leadership in reforming the brand of the company will be discussed.

3. Framework of This Study

In this study, brand power is defined as "the power to enable external people to distinguish the company's finest products or services." A loss of brand power means that customers lose interest in the organization. If the organization wants to regain its good reputation, it must gradually find a new approach and react to the needs of its customers. Finally, the organization will develop transaction power. It has been suggested that brand is revitalized through relationships with external people (Aaker, 1996: pp. 339-358; Katahira, 1998a: pp. 79-93; Sawa, 1997).

The new keywords that will be used to explain the characteristic framework of brand management are explained here. First, "brand disadvantage" (Ikeda, 1999: pp. 26-32) means disadvantages in distinguishing corporate brand from others. This notion can be explained based on social identity and group identity theories. Conventional wisdom dictates, "group identity is maintained primarily by intergroup comparisons" (Tajfel, 1982). Well-known brands are accepted by customers easily because of their reputation. But if a brand does not have a good reputation, it is difficult to compete with others when buying materials and selling products.

Brand disadvantages also affect employees' motivation, as workers in the company will perceive the disadvantages in both formal and informal settings. Disadvantages will also be perceived through comparison with other companies when employees attempt to find trading partners and do business with companies and customers. If brand disadvantages arise, the brand needs to be revitalized by the leader.

On the other hand, "brand advantage" (Ikeća, 1999: pp. 26-32) means
that the brand becomes competitive against others by evolving into a new organization. Therefore, the framework of this study is as follows.

First, the organization perceives its brand disadvantages (BD) from the inside and outside environments. The organization can eliminate the brand disadvantages through the six roles of the leader explained earlier. Organizational change happens through interaction between leader and employees. As a result, the leader converts brand disadvantages (BD) to brand advantages (BA).

4. Methodology

A case study was used to analyze the process of revitalizing corporate brand, using only one company as an example. There are many study methods such as experimental study, quantitative analysis, literature review, historical study, and case studies, but since the purpose of this study was to reveal the roles of leadership at every stage based on the framework, the case study method was used. The study looked at one of Japan's four major beer companies, Asahi Breweries Ltd. This company undertook a change of brand, and so was suitable for the study. The study utilized interviews and data from think-tanks and publications. Aoki (1998) suggested that a difference of viewpoint provides many definitions about brand power. The revitalization resulted from overcoming brand disadvantages, and the criteria for judging success were increased market share, renewed customer recognition and improved corporate image.

The case study was classified into three stages: 1982 to 1985 was the period of deterioration of brand, 1986 to 1988 was the period of new action, and
1989 to 1998 was the period of establishing new brand identity. First, an outline of Asahi Breweries Ltd. is given.

Asahi had a 36.1% market share, but sales efforts towards restaurants and bars caused a significant drop in sales to a 9% share in 1985, putting Asahi in third place, while Kirin Beer Company raised its share from third to first place. Main users had been changing from restaurants to households, but Asahi did not recognize this shift in the market. Asahi means “rising sun” in Japanese, but the situation caused people to comment that “Asahi is a sinking sun rather than rising sun.” Eventually, however, Asahi increased its market share to 40.2%.

5. Case Study
5.1 Case

(1) First stage (1982-1985; deterioration and rise of Asahi brand power)

Asahi was second in the beer industry, after Sapporo Brewing, with a 36.1% market share in Japan in 1949. Later, as the market for restaurants and bars reached maturity, the market for retail sales expanded. But instead of the latter market, Asahi focused sales on restaurants and bars, leading to a significant drop in the company’s sales share in Japan. Although Asahi means “rising sun” in Japanese, people joked that the company’s sun was setting.

The main cause of the decrease was considered to be that Mr. Tamesaburo Yamamoto, the founder of Asahi, offered Suntory help with distribution. It was widely believed among employees of the company that this effort brought about the deterioration of Asahi, and the founder symbolized the deterioration. As a result, there was a widespread cultural climate of disapproval of Mr. Yamamoto’s efforts. Furthermore, there was widespread disregard among employees towards the management philosophy of the company for more than 30 years. The product development department and sales department fought fiercely over who was responsible for the failed sales promotions. It was clear that Asahi excelled in manufacturing, but that its products were not suitable for the new market. It was necessary to strengthen the relationship between participating Asahi dealers and the sales and marketing department of Asahi. In addition, massive layoffs had left the employees fearful of dismissal, which discouraged and demotivated employees.

In March 1982, Asahi installed Mr. Murai from Mazda as the new president of the company following the resignation of Mr. Enmei. Mr. Murai had already achieved sweeping reforms and brought about a great revolution at Mazda.

Initially, Mr. Murai tried to develop a close relationship with employees and collect information informally to identify the problem among employees.
He then emphasized the role of management philosophy in the company, and based on the opinions of chiefs and managers he crafted a management philosophy, which emphasized high priority on customer needs and quality control.

He named his philosophy "a long term management plan." According to this plan, in order for the sales department and the research and development (R&D) department to cooperate with each other, Mr. Murai had to make several personnel transfers between the two departments. He formed project teams with members from R&D and the sales department to achieve flexibility and to reach a consensus in the organization through networking. Furthermore, the Total Quality Control (TQC) meetings helped establish close relationships among the managers. The design of the Asahi logo was changed and the new beer "Kokukire" was developed. Asahi noticed that the taste of its previous beer was a critical problem, since consumers were seeking different tastes. Because of this taste, each store often had to keep large stocks, so the beers could not be kept fresh. The "Kokukire" beer was a new concept of beer based on customers' taste, but employees were concerned that long-standing Asahi customers would not accept the new beer and so they did not agree with this change.

Nevertheless, Mr. Murai persuaded the employees by conducting an internal campaign, and as a result the new corporate logo in blue and white was announced in the firm upon the announcement of the new "Kokukire" beer. In 1985, despite Mr. Murai's reform, Asahi showed no sign of improving, the market share dropped to 9%, and the firm ended up falling to third place in the market.

(2) Second stage (1986-1988; leading new action)

In 1986, Mr. Higuchi became president of the company, after serving as an advisor to Asahi. He had been working for Sumitomo Bank as vice president before becoming president in Asahi. His frequent, informal communication with employees, customers, and presidents of other beer companies enabled him to identify Asahi's problem. Due to the efforts of Mr. Murai, the atmosphere within Asahi had become more sociable in which employees freely discussed the problems of the company.

Mr. Higuchi set a standard for action and behavior such as "The ten rules of work" and "The ten rules of management" to embody Mr. Murai's philosophy in the company.

To promote the "Kokukire" beer, sales representatives visited dealers many times, and a "Big Tasting Campaign for One Million People" was held for customers. New types of attractive advertisements were created, and the prod-
uct was characterized by the new company logo on the label.

The launch and success of the "Kokukire" beer led to the development of the "Super Dry" brand. Furthermore, Mr. Higuchi defined "The three principles of a product," and to implement these principles, he initiated a rotation system of remainder products from retailers and distributors in order to always keep their product fresh. This new quality control system was named "Fresh Rotation," which raised Asahi's reputation among customers, retailers and wholesalers. Its reputation for innovative activities led to efficient negotiations with retailers and wholesalers.

In addition, he changed the personnel evaluation method in order to boost the motivation of employees, such as "The skipping system" which promoted employees based on an evaluation of their abilities, and "The half day paid holiday system." These approaches motivated employees, and their efforts began to be rewarded in the long run. One conspicuous example was the promotion of Mr. Matsui who developed "Kokukire" beer and "Super Dry" in the marketing department. Thanks to the efforts of Mr. Higuchi, Asahi was ranked the most popular company for employment in the food industry in 1988.¹)

Mr. Higuchi visited his branch offices and factories across the country to analyze the differences among the plants and the quality of raw materials in price, and compared them with other companies. The results led him to improve productivity by reinvesting and upgrading plants, and changing to refined raw materials and ingredients. In addition, he exchanged technology with foreign companies and introduced a profit based management system.

It is clear that Mr. Higuchi forged the new direction of the company, as exemplified by his motto "No one else has done it before, so we should try it." These actions successfully let customers know about the changes of Asahi. When the new product "Super Dry" was produced it was a great hit, especially among many businessmen who welcomed Higuchi's management philosophy. Mr. Higuchi symbolized Asahi's revitalization and became popular among businessmen. Employees came to believe that Asahi's new direction was the proper way to revitalize the Asahi brand, and in 1989, Asahi had increased its market share to 25%, and returned to second place.

(3) Final stage (1989-1998; fixing the new brand identity)

This stage involved cooperation between Mr. Higuchi (chairman) and Mr. Seto (president), who had worked for Asahi for a long time.

Mr. Higuchi expanded the philosophy to "One and only good company," meaning that everyone should do their best utilizing their own individual strengths. Based on this management philosophy, many actions were taken to meet the needs of society, such as upgrading factories to environmentally-
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friendly production as well as supporting cultural activities. Also, new products such as “Steiny beer” were developed in this process, and the company also branched out into the pharmaceutical industry and began exporting its products. In this way, the company’s business domain expanded.

On the other hand, Mr. Seto promoted the concepts of “sharing emotions, keeping a rhythm and maintaining oneself” as well as “seeking quality and freshness.” In order to carry out these management philosophies, Mr. Seto began to reform the operation and information systems. The personnel system that included emphasis on employing women had taken root in the organization and was very popular among university students. Asahi was ranked third in terms of image of Japanese companies in 1998, and was ranked first in the market share of beer companies.

To improve efficiency and ensure “fresh management” and transactions, Mr. Seto built an information network accessible to all employees by making them carry small PCs, thus enabling them to send information regardless of their location. This information network, called “Asahi Super Net,” enabled them to get information from retailers and consumers swiftly across the organization, thus enabling them to receive information from inside and outside of the organization and to react to customers’ demands. Through such efforts, employees learned how to act in the organization from the process of making new products and marketing.

These achievements allowed them to buy back the land that they had sold off during the financial crisis in 1989, and to build the Asahi Beer Tower, in commemoration of their achievements and celebration of the 100th anniversary of the company. They also changed their uniforms and built a monument to commemorate predecessors as an expression of appreciation. These accomplishments showed that Asahi had made great changes, and these changes reinforced Asahi’s new brand among employees, customers and the company.

Finally, Asahi increased its market share to 40.2%, reaching top position after a period of 45 years.

5.2 Case Study

(1) Defining and spreading the management philosophy

In the initial stage, through recognizing BD, Mr. Murai suggested the management philosophy as “espoused theories” (Argyris and Schön; 1974, 1978), and priority was given to meeting customer needs and quality control.

In the second stage, Mr. Higuchi had been worried that the management philosophies had not shown any united norm of action, which had been labeled by Argyris and Schön (1974, 1978) as “theories-in-use.” He therefore defined norms and encouraged employees to adopt them, that is, the “Three principles
of products,” the “Ten rules of work” and the “Ten rules of management.” He also showed a challenging attitude in his motto “No one else has done it before, so we should try it” as well. The structure for putting ideas into practice had already been based on these norms.

In the final stage, chairman Higuchi proposed making originality as the company’s management philosophy, and expanded the corporate identity into a global brand “The one and only good company.” After Mr. Seto assumed the presidency, he worked hard to implement his management philosophy, which meant maintaining freshness and better quality through “sharing emotions, keeping a rhythm and maintaining oneself” as well as “seeking quality and freshness.”

The importance of the management philosophy was emphasized in top management’s vision: “The notion of vision serves as an evocative long-term guide, both internally and externally” (Hatch and Schultz, 1997). It is clear that the management philosophy makes a contribution when the organization’s members recognize the leader’s strategic intentions. Gioia and Thomas (1998) stated that the way for top managers to push the process of changing identity along is to project attractive images that act like a bandwagon for members to jump onto. Management philosophy is equivalent to ideal identity and image. This is who we want to be and how we want to be seen after the change is accomplished (Gioia and Thomas, 1998).

Thus, brand identity is not determined all at once; rather, brand identity is determined step by step. The brand identity of the company is inherited from one leader to the next.

(2) Evaluation of employees

In the initial stage, Mr. Murai made large-scale structural changes as well as personnel transfers to make the organization flexible by forming project teams.

In the second stage, Mr. Higuchi complimented Mr. Matsui’s efforts in developing “Kokukire” beer and “Super Dry” and for actively changing the brand. Mr. Matsui, the former chief director, was promoted as a role model of action with regard to the Asahi standard. His promotion was based on the new personnel evaluation system, “The skipping system” which rewarded highly motivated employees. “The half day paid holiday system” was started at the same time, which further motivated employees and Asahi was ranked the most popular company for employment in the food industry.

In the final stage, such personnel evaluations had taken root. Asahi improved the brand image of the company especially among university students, projecting an image of undertaking dynamic personnel reforms.
Improved working conditions and employee evaluations raise the attractiveness of the perceived organizational identity for employees. As a result, members respected the new system of their organization (Dutton et al., 1994). The leader is responsible for drawing members' attention to the present conditions, as well as highly valuing members' abilities when they act according to the leader's philosophy.

(3) Network formation

In the initial stage, there was a conflict of interest between departments, and there was no initiative towards forming a communication network. Mr. Murai therefore endeavored to share all information among divisions by building a network. Through networking and providing occasions for CI and TQC, every employee realized that Asahi had "brand disadvantages." It is clear that the most important action for the leader in the initial stage is to strengthen the organizational identity. Employees had had a bad image of their firm, which attracted criticism about their identity. With networking, employees reached an agreement about their own identity in the organization, because organizational identity is the core identity adopted by members of the organization (Albert and Whetten, 1985).

In the second stage, Mr. Higuchi exchanged information with all parties including retailers and wholesalers. Inside the company, frequent informal communication between members and Mr. Higuchi revealed the problems.

Mr. Higuchi took the time to communicate with "constituents" (Rindova and Fombrun, 1998) who control and exchange resources with firms. "Constituents observe, interpret, and select among the signals that were sent out from firms, and form assessments of firms as exchange partners and as members of their organizational partners" (Rindova and Fombrun, 1998).

In the final stage, the sharing of information as promoted Mr. Higuchi enabled them to respond rapidly to customers and retailers. At the same time, an information network named "Asahi Super Net" was built by Mr. Seto. This system reinforced the interaction between organization and customers, and works as an interpretational web (DiMaggio and Powell, 1983) to recognize members' identity and corporate reputation.

As a result, it is concluded that the leader of the company should build a network in order to identify the present state condition of the brand identity and to share information.

(4) Persuading members to change

From the outset, Mr. Murai recognized the need to change the brand identity. As he himself was a leader of another company, he could grasp the reality
of Asahi’s organizational failure from an objective viewpoint without being
burdened by the previous paradigm within the company. He resolved to set up
a key group to recognize their brand disadvantages, centered on middle man-
agement such as general managers. They teamed up and implemented “corpo-
rate identity (CI)” plans and “total quality control (TQC).” These plans had
been drawn up to develop the new products. Although each team initially met
strong opposition in the organization, the teams finally carried out their objec-
tives with Mr. Murai’s support. In this way, the formation and support of pro-
ject teams for new product development generated flexibility and built consen-
sus within the organization. Thus, the leader must fully recognize the organi-
zation’s disadvantages from an objective viewpoint.

In the second stage, Mr. Higuchi urged the revolutionary measure called
“fresh rotation,” despite resistance from employees. The logo of the company,
taste of its products, negotiating tactics, and new sales promotions were
mainly developed by middle management. But those changes would not have
been successful without Mr. Higuchi’s support. Changing brand identity is con-
sidered equivalent to changing the sense of values and management philoso-
phy which are shared under a tacit agreement. The company will inevitably
face strong opposition when making the changes, so the role of leadership is to
eliminate and overcome such opposition.

In the final stage, through persuading members to accept the change, em-
ployees learned how to act in the organization, from the process of making new
products and marketing. The new president Mr. Seto, who had a long track re-
cord of working in Asahi, played an important role by reinforcing its identity,
and employees stopped opposing the leader’s actions and new identity. Asahi’s
great change successfully persuaded employees to accept the new identity.

But it is not only the leaders who serve to persuade members of the need
to change; external people also affect how members change the identity
through direct or indirect interaction (Rindova and Fombrun, 1998).

(5) Existence as the symbol

Mr. Yamamoto, the founding president, came to symbolize Asahi’s decline.
The new president Mr. Murai led his organization to change, and became a
symbol of Asahi beer among employees.

In the second stage, as the influence of the change in brand identity pene-
trated throughout the organization, president Higuchi became a symbolic
leader of Asahi, known for his innovative activities among retailers and whole-
salers. This recognition grew, accompanied with the rising popularity of “Super
Dry” among businessmen. Mr. Higuchi is famous for his achievements and his
role in designing Asahi’s brand identity.
Both chairman Higuchi and president Seto played an important role and became symbols in the final stage. Mr. Higuchi became the outward symbol of the company, and Mr. Seto became the internal symbol of the company to the employees.

A leader can be an external symbol and/or an internal symbol. The internal symbol can be explained with reference to the theory of organizational culture. Organizational culture and organizational identity are interrelated, and the difference among them is one of perspective. Organizational culture includes aspects and practices of the everyday life of a group of people that define and help sustain and support knowledge and activities that they believe are valuable (Hatch, 1993). One such aspect is “idolizing leader.”

A visionary leader acts as a “communicative mediator” between identity and images (Hatch and Schultz, 1997). This means the leader can act as an external symbol of the firm. Mr. Higuchi became truly a symbolic leader who served as an intermediary between Asahi and external people.

(6) Creation of new corporate image and identity

In the initial stage, under corporate identity plans implemented by Mr. Murai, the new logo and new product “Kokukire” beer were introduced in the market.

In the second stage, the new promotion campaign “Big Tasting Campaign for One Million People” as well as the quality control system named “Fresh Rotation” were initiated with the launch of the new product “Super Dry.” These were very successful, and the image was revamped by running a series of advertisements appealing especially to businessmen.

In the final stage, Mr. Higuchi, in honor of the large sales, built the Asahi Beer Tower and a monument to commemorate predecessors. He also changed company uniforms, started social activities, and voluntarily established a recycling system. These events forcefully demonstrated that Asahi had adapted its brand identity to society. In addition, the core corporate image based on the product brand “Super Dry” had been expanding into such businesses as the pharmaceutical industry. The success of “Super Dry” suggested a strong brand association as a core competence. These events are thought to have achieved “brand association” by applying the concept of brand on the organizational level of the company. Asahi had used characteristic ways to create “a unique vehicle for the organization to develop a presence and a sense of substance” (Aaker, 1996: pp. 127-128).

Based on the above, the following hypotheses can be made.
List 1: Deterioration and Rise of the Asahi Brand Power

| Defining and spreading the management philosophy | Recognizing BD, Suggesting the management philosophy, priority to Customer needs and QC. |
| Evaluation of employees | Large-scale structural changes, personnel transfers to make the organization flexible. |
| Network formation | Recognizing conflicts and improving communication, Networking and providing occasions for CI · TQC. |
| Persuading members to change | The formation and support of project teams for new product development generated flexibility and built consensus within the organization. |
| Existence as the symbol | Mr. Yamamoto, the founding president, came to symbolize Asahi’s decline. The new president Mr. Murai became a symbol of Asahi beer among employees. |
| Creation of new corporate image and identity | Under corporate identity plans implemented by Mr. Murai, the new logo and new product “Kokukire” beer were introduced in the market. |

List 2: Leading New Action

| Defining and spreading the management philosophy | The spread of the management philosophy the “Ten rules of work,” the “Three principles of products” and the “Ten rules of management.” The challenging attitude in his motto “No one else has done it before, so we should try it.” |
| Evaluation of employees | “The half day paid holiday system” Fair personnel evaluation rewarding highly motivated employees. Promotion of Mr. Matsui, the former chief director of Marketing. |
| Network formation | Frequent informal communication between members. Mr. Higuchi exchanged information with all parties including retailers and wholesalers. |
| Persuading members to change | Mr. Higuchi urged the revolutionary measure called “Fresh rotation,” despite resistance from employees. Supporting the new product development. Sharing their brand identity through action, The activation of the organization. |
| Existence as the symbol | President Mr. Higuchi became a symbolic leader of Asahi, known for his innovative activities among retailers and wholesalers. |
| Creation of new corporate image and identity | “The Big Tasting Campaign for One Million People” as well as the quality control system named “Fresh Rotation” were initiated with the launch of “Super Dry.” The image was revamped by running a series of advertisements appealing especially to businessmen. |
Leadership in Managing and Revitalizing Brand Identity

List 3: Fixing the New Brand Identity

<table>
<thead>
<tr>
<th>Definition and spreading the management philosophy</th>
<th>The management philosophy expanded into a global brand &quot;The one and only good company.&quot; The president, Mr. Seto &quot;sharing the emotions, keeping a rhythm and maintaining oneself.&quot; The reinforcement of the idea of &quot;seeking quality and freshness.&quot;</th>
</tr>
</thead>
<tbody>
<tr>
<td>Evaluation of employees</td>
<td>New personnel evaluations improved the brand image of the company among students.</td>
</tr>
<tr>
<td>Network formation</td>
<td>Building an information network named &quot;Asahi Super Net.&quot;</td>
</tr>
<tr>
<td>Persuading members to change</td>
<td>Asahi's great change successfully persuaded employees to accept the new identity. The new president, Mr. Seto, who had a long track record of working in Asahi, played an important role by reinforcing its identity.</td>
</tr>
<tr>
<td>Existence as the symbol</td>
<td>Mr. Higuchi became the outward symbol of the company. Mr. Seto became the internal symbol of the company to the employees.</td>
</tr>
<tr>
<td>Creation of new corporate image and identity</td>
<td>The core corporate image based on the product brand &quot;Super Dry&quot; had been expanding in such business as the pharmaceutical industry. Mr. Higuchi, in honor of the large sales, built the Asahi Beer Tower and a monument to commemorate predecessors.</td>
</tr>
</tbody>
</table>

**Hypothesis 1:** A company needs to recognize its existing brand disadvantages, and the leader must take an active part in the company.

**Hypothesis 2:** To overcome brand disadvantages, it is essential to promote the management philosophy and create a foundation of brand identity, by promoting newly developed products and supporting the leading figure of the change.

**Hypothesis 3:** The leader acts as a symbolic entity among customers and the industry.

6. Conclusion

This study examined the roles of leadership in changing brand identity, and the following two conclusions can be drawn.

1. In the process of managing brand and changing brand identity, brand disadvantages are important. To reform brand identity, the leader must make employees recognize the brand disadvantages.
2. The new brand identity is created and spread by developing new main products which constitute evolution.

A new identity can be created through the six roles of leadership, which are:
1) Defining and spreading the management philosophy
2) Evaluating employees
3) Forming networks
4) Persuading members to change
5) Existence as the symbol
6) Creating the new corporate image and identity

6.1 Theoretical Implications

(1) The leader plays an active role in managing brand (the conventional theory of leadership has been improved).

This study has contributed to the traditional theory of leadership by suggesting new leadership that changes and manages brand. Previous leadership theories included the “traits theory” which focused on specialty; “Hi-Hi paradigm” (Kanai, 1991: pp. 87-104); “PM theory” advocated by Misumi et al. (1975); “contingency theory” which focuses on conformity between the situation and the type of leadership; and “transformational leadership,” among others.

However, these theories aim to demonstrate that regarding leadership or behavior itself, the effectiveness of an organization and changes in the environment depend on how leadership is exercised. None of these theories attempted to interpret brand management.

(2) It is important to manage brand in terms of the general organization rather than in terms of products.

The relationship between corporate brand and brand identity was analyzed theoretically.

There have been few discussions about leadership that manages brand practically from the organization’s point of view. From the angle of building brand based on organizational activity, not from measuring brand power, a new theory named “brand identity” has recently been studied. Hence, there is room for discussion about how the leader should build or manage the brand of the company.

Conventional studies on brand were based on the consumer’s behavior, and the focus was on how to manage the image. These studies were mainly based on investigating a consumers’ brand recognition and brand images.
These images were derived mainly from product packages and advertisements. The task of managing brands was considered to be the responsibility of brand managers, publicity firms and advertising agencies. But this method merely tries to attract consumers by emphasizing product appearance. This is the opposite of the effect that stems from “internal attraction” arising from organizational behavior or integral action. It is considered that brand identity is derived from the realities of the company’s organizational culture and identity. Therefore, to manage brand it is essential to address these realities directly. This is a meaningful approach in terms of organizational theory.

6.2 Practical Implications

(1) To recognize the existence of brand disadvantages, networking inside and outside of the organization is important.

The leader plays an important role in identifying the brand disadvantages around the organization, and in checking the brand identity against images held by external people before trying to match the two. The system depends on building a large knowledge network as well as maintaining persons who can correctly judge incoming and outgoing information. Building an information network inside and outside of the organization helps overcome brand disadvantages.

(2) To promote a consistent image to the market, brand identity must be built and shared between the leader and employees.

It is necessary to revolutionize the foundation of a brand that has been losing its power; in this case “categorization” (Nikura, 1994) can be used as a tactical means of management. Categorization focuses on managing consumers’ recognition of the company or products. This study examined the change of brand identity itself, which means restructuring the organization through managing its sense of values and management philosophy. In order to share the brand identity, the leader must disclose the target. After the leader has defined the ideal brand identity and informed it to employees, the employees’ behavior will adapt accordingly and the company will naturally develop originality. A change of organization might also be needed to overcome possible resistance, which requires close cooperation between the leader and middle managers.
(3) To promote a consistent image to the market, it is important to transfer brand identity smoothly from the leader to the new generation.

A brand that has acquired great power has the ability to maintain consistent brand identity for a long time. In the case of Asahi beer, the leader and employees did not share a positive brand identity, so it was necessary to rebuild the brand identity from scratch. When evolutionary change is required, the leader should ideally be someone from an external organization, who can analyze the situation of the organization objectively and can also inspire a new management philosophy or values among the organization. On the other hand, a brand identity that has been built should be maintained or reinforced, rather than rebuilding a new brand, so the leader for the new generation should preferably be chosen from personnel raised within the company. The leader must share the brand identity (organizational identity and culture) and its sense of norm or worth. Thus, it is important to choose a leader according to the lifecycle of the brand.

6.3 Future Work

This study considered the role of leadership in changing brand identity by using a case study, but the difference between the image based on products and the image based on organizational behavior itself has not been clarified. The classification of “brand association” is still at an early stage, but the study has begun to show how these differences are related to each other. Further studies of leadership should be considered. Regarding the characteristics of leadership presented in this study, there is room for making a quantitative analysis of the brands of companies. Further discussion of the difference between employees’ recognition of brand identity and corporate image as seen by external people is also required.

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Notes

1) Nikkei Business, September 11, 1988
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