Examining the role of external brand stakeholders – a classification through communication mapping

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Abstract

With the emergence of schools of thought which examine brands and branding according to relationships, brand communities and popular culture; consumers are becoming more significant in shaping the brand agenda. Furthermore, the evolutionary growth and mutations spawned by Web 2.0 draw non brand users, social networkers and anti-branding movements towards engagement and the possession of greater social capital. In gifting these parties with a larger share of voice, within the brand management paradigm, consumption definitions become judged less by tangible transactions and more by figurative, intangible and co-dependent communication drivers. With the increase in interactivity afforded by media channels, two-way communication, and the inclusion of more parties, a normalisation and levelling of information also occurs. In light of these factors, the authors suggest that brand stakeholder analysis is in need of refinement, further examination and a classification which is more reflective of these intangible and figurative aspects within branding. This conceptual paper has attempted to group stakeholders as interconnected and dynamic states, which are subject to time specific communication, influence and self defined legitimacy.

Keywords

Brands, Stakeholder Analysis, Social Networking, Brand Communities, Online Branding

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Introduction
Freeman (1984) defines a stakeholder as being “any group or individual who can affect or is affected by the achievement of an organisation’s objectives”, (p.46). Brands with duplicitous transient and transcendent attributes push stakeholder analysis towards more figurative, tacit and implicit states, demanding the inclusion of additional parties - due to their influence. Furthermore, brands require analysis that reflects this departure from purely economic value drivers. The following paper takes a broad view of brand stakeholder analysis, in the interests of focussing attention on the role of external stakeholders; which the authors feel is an area which necessitates further examination - in line with more consumer-centric brand approaches and the increase in two-way media communication channels; which create new stakeholders.

What makes a stakeholder?
Following Freeman’s (1984) definition, Mitchell, Agle and Wood (1997) state that stakeholders can be identified as being “primary or secondary stakeholders; as owners and nonowners of the firm; as owners of capital or owners of less tangible assets; as actors or those acted upon; as those existing in a voluntary or an involuntary relationship with the firm; as rights-holders, contractors, or moral claimants; as resource providers to or dependents of the firm; as risk-takers or influencers; and as legal principals to whom agent-managers bear a fiduciary duty” (pp.853-854). Within the extensive list of identifying factors provided by Mitchell, Agle and Wood (1997), appears a construct which seeks to classify parties according to a scale of (1) ownership of associated assets; (2) participatory positive/neutral/negative relationships; (2) propensity to influence positively/negatively; (3) reciprocal duty, trust and confidence. Clarkson (1995) suggests that “corporations manage relationships with stakeholder groups rather than society as a whole” (p.92) and that stakeholders’ interests may be towards past, present, or future corporate activities (p.106). He also asserts that the term “stakeholder is not synonymous with shareholder” (p.112). Following this, Clarkson (1995) classifies stakeholders into primary and secondary groups. Primary stakeholders are defined as being those “without whose continuing participation the corporation cannot survive as a going concern” (Clarkson 1995, p.106). Clarkson (1995) states that they “typically are comprised of shareholders and investors, employees, customers, and suppliers, together with what is defined as the public stakeholder group” (p.106). Secondary stakeholders according to Clarkson (1995) “are defined as those who influence or affect, or are influenced by, the corporation, but they are not engaged in transactions with the corporation and are not essential for its survival… They have the capacity to mobilize public opinion in favor of, or in opposition to, a corporation’s performance” (p.107).

Refining stakeholder theory for brand stakeholders
Gregory (2007) states that “stakeholders are usually regarded as targets rather than partners,” in the development of corporate brands; and that literature seldom provides guidance on how their involvement can be facilitated (p.59). This is perhaps reflective of traditional approaches which focus on the needs of the owner and the effects on their brand. However if stakeholder brand analysis is to reflect the emerging schools of brand thought - such as the consumer, personality, relational, or community based-approaches, as identified by Heding, Knudtzen and Bjerre (2009), external stakeholders become more crucial. Mossberg and Getz (2006) state that some stakeholders (by which they mean Non-Owners) demand, “active participation in the branding process whilst others are not interested in being involved”. Similarly, Roper and Davies (2007) suggest that each stakeholder group should also be communicated to in different ways, as a reflection of their differing needs. Chevron (1998) asserts that “the concept of a ‘brand’ and that of a ‘product’ are diametrically opposed in many ways.” (Chevron, 1998, p. 261). In support of Chevron’s (1998) and Collins’ (2001) findings, Wilson
and Liu (2009) argue “that a brand is created with the aim of transcending the tangible boundaries faced by a product”, (p.47). They cite Klein’s (2000) observation of the Nike *swoosh* being one of the most requested tattoos in the USA as being not only evidence of this, but in addition proof that consumers feel free to adapt or separate the brand from the product in some way; and extend their level communication and consumption of the brand. Wilson and Liu (2009) assert that the permanence of a tattoo goes towards “explicitly demonstrating that the brand is of more significance and desirability than the product... In addition, it appears that brands can develop sublime characteristics, which outlive their associated products,” (Wilson and Liu 2009, p.47). From this, the emerging trend appears to be observing stakeholder groups according to their brand communications and brand message consumption; as opposed to just their more tangible stakes. Furthermore, Bourdieu (1977) discusses the concept of symbolic capital and its accumulation which manifest in prestige, status and reputation. Following this Pitt et al (2006) suggest that organisations and individuals that give more away, contribute to community, or provide more services “are held in higher regard and reputation” (p.124). From this the authors assert that branding attempts to do just this - embedding itself within more and more communities. In doing so brands draw in more stakeholders, ultimately sacrificing power from the hands of the brand owner, knowingly or not - but as a necessary evil to ensure its success.

Within branding the suggestion is that this definition can be applied to stakeholder ownership and non-ownership of a brand. In doing so the focus is shifted towards values rooted in opinion – the who/what/how/where/why opinions are communicated; and participation – converging towards the brand. As a result, a coefficient of time is introduced, which is in-keeping with Mitchell, Agle and Wood (1997) in creating relationships and stakes which are affected by dynamism. Following this, the authors suggest that an additional form of classification be used to owner and nonowner, in order to reflect situationally specific ownership; which has been termed ‘doner’. Mitchell, Agle and Wood (1997) assert that stakeholder dynamism affects salience with managers through: variable Stakeholder attributes; socially constructed stakeholder attributes, rather than objective reality; a presence, or lack of consciousness, and wilful exercise (p.88). In response to Clarkson (1995) the authors suggest that primary and secondary status should be aligned with ownership of the brand, due to the increased number of stakeholders, homogenous sub-groups, their significance and the levelling effect of technology. External parties to an organisation and brand therefore all are classified as being secondary. A further distinction has been made in which certain stakeholders are viewed as being key, due to their influence or importance in the brand communication process.

**Broad versus narrow view of stakeholder analysis**

Windsor (1992) highlights that broad or narrow views of stakeholders’ universe effects the way in which they are defined and subsequently classified. The Freeman (1984) definition takes a broad view, suggests that “companies can indeed be vitally affected by, or they can vitally affect almost anyone” (Mitchell, Agle and Wood 1997, p.857) whilst that expressed by Freeman and Reed (1983) in parallel is narrower, focussing on those whom an organisation is dependent on “for its continued survival” (p.91).

Within the *Cultural Approach* - as one of the seven schools of thought that have been identified by Heding, Knudtzen and Bjerre (2009) when analysing brands, a macro level focus is adopted. “…consumers’ identity projects are analysed at a (macro) collective level. The relational approach is concerned with the understanding of individual identity projects as important contributors to brand meaning”, (Heding, Knudtzen and Bjerre 2009, p.210).
Moving forward, the cultural approach is a byproduct of a phenomenon where “The brand is subjected to social and cultural changes completely outside the brand manager’s control... this means that the marketer is not the only author behind the brand meanings”, (Heding, Knudtzen and Bjerre 2009, p.211). A cornerstone of the cultural approach lies in the assertion that a brand is a perceived as a cultural artefact. Holt (2002) asserts that in the cultural approach, “A ‘bottom-up’ interpretation of data is applied; the informants are not expected to express idiosyncratic meanings, but rather to be acting as mouthpieces of the surrounding culture” (p.73). From this Holt (2002) adopts a methodological approach which uses “microlevel data – people’s stories about their consumption – to investigate macrolevel constructs”, (p.73). In keeping with this school of thought, Garsten and Hasselström (2004) state that “Market man is forged out of the interplay between different technologies” (p.213) – namely that of production, sign systems, of power, and of the self. Therefore as technology has a stakeholder levelling effect, which encourages inclusion and interaction between more parties; stakeholder definitions will become more communication based.

**Brand cognition, interactions and communication**

Abbott, Shackleton and Holland (2007) conclude that Brand Product Concepts are being driven towards recognition, which is viewed through the lens of the consumer. In doing so the suggestion is that the cognitive and communication patterns of external stakeholders have a significant effect on brands, brand communities and external parties; requiring analysis. Pinker (1997) explores how inferred relationships and definitions can be identified and explained - by using Categorisation Theory, which encompasses ‘Classical Theory’. When observing interdependent communication occurrences which hinge on perceived meaning and definitions, and are subject to motives and frame of reference; a broad base of interpretation becomes crucial. For example whether a hoover is in fact a Hoover, or a vacuum cleaner is less critical to external stakeholders. Rather, their perceptions and activities are key. In addition, *a posterior concepts* such as brand knowledge and acculturation are experience driven (Fodor 1998, Mason and Bequette 1998, Simon 1996). Aaker (1991), de Chernatony & McDonald (2003), Czellar (2003), Franzen and Bowman (2001), Keller (1993), Lindstrom (2005) state that brands are best understood from a consumer perspective. Following this the authors suggest that as consumers interact and are subject to the influence of non-Consumers outside of their brand community, their understanding should also be examined with respect to those ‘others’ that they choose to engage with; and hence will have a bearing on their stake.

Diamond et al (2009) talk of the *brand gestalt* which best explains brand power though “a combination of elements, and the reciprocal influences among them” In this, they assert that powerful brands are may be not those “with the greatest number of positive associations or those with the most compelling myths” or “the largest and most interactive communities or those with the largest and most interactive communities or those that provide spectacular retail environments with the most opportunities for emplaced coercion. They may be instead be brands whose components evidence the greatest degree of synergy and whose constituent parts best complement and enhance one another” (Diamond et al 2009, p.131). With this in mind, the authors suggest that stakeholder theory be more closely aligned with such advertising models as the Shannon and Weaver (1949) communication model; as Polonsky and Hyman (2007) assert that it explicitly integrates the actions of many stakeholders”, (p.6). In Shannon and Weaver’s (1949) model, stakeholders’ presence is representative as being proactive, reactive, positive, neutral, negative and latent.
The effects of online and mobile communication
Since the time of Clarkson’s (1995) writing the might of the media, internet and mobile media have risen in their ascendency. The legacy of news and views which remain assessable online, not to mention the accessibility afforded by the internet, have extended the status of gatekeeper to more parties; other than have been traditionally held by journalists and senior decision makers. Consumers, bloggers and social networkers are able to shape the agenda - which then suggests that secondary stakeholders according to Clarkson’s (1995) groupings, may in fact also be worthy of primary classification; in that an organisation needs to also garner their support; for fear of demise. Further to this, corporations should in the information age consider society as a whole, rather than just current stakeholder groups; due to the information legacy which remains accessible.

Maio (2003) states that “The shift in power from corporation to stakeholder has come with a thud, accelerated by e-commerce and internet activism”, (p.246). Search website www.newssift.com, classifies articles according to their source, and positive/neutral/negative sentiments. Meanwhile Twitter monitoring sites (such as http://twendz.waggeneredstrom.com and www.tweetfeel.com) also offer the same facilities based upon the words used in tweets. With the increased importance of search, the nature of the participation of external stakeholders will increase in importance. Reprise Media (2004), discuss findings of SEMPO’s (The State of Search Engine Marketing) 2004 report. They cite that “61% percent of firms surveyed revealed branding to be their primary online objective, ranking it over product sales, lead generation, or driving traffic - although those objectives were also considered key” (Reprise Media 2004). Further to this, Payne, Ballantyne and Christopher (2005) state that “relationship-based approaches to marketing offer a reformist stakeholder agenda with an emphasis on stakeholder collaboration beyond the immediacy of market transactions” (p.856). Johnson (2007) discusses the idea of Stakeholder Relationship Management (SRM) as a “means to manage, monitor and measure communications and stakeholder relationships”. However Payne, Ballantyne and Christopher (2005) conclude that their experience of working “with stakeholder models suggests that exchange relationships with many relevant stakeholders are inadequately recognised by and planned for by organisations”; and “may not previously have been entirely understood” - due to “systemic (or cumulative) effects of interdependencies” (Payne, Ballantyne and Christopher 2005, p.866). Johnson (2007) also charts a shift in media usage and owners’ strategies: “Today’s media is evolving beyond monetizing audiences and more towards fostering dialogue and community – and monetizing these interactions directly or indirectly” (Johnson 2007).

Conscious objectors gather steam
Rigopoulou et al (2007) examine the effects of crisis management on brand equity. Following the authors’ mention of negative communication, which may translate in some way towards creating negative stakeholders; it is felt that the field of PR and more specifically crisis management are of significance and possess different attributes. For these reasons media stakeholders should be split to differentiate gatekeepers from paid for advertising. Within gatekeepers also exist those parties that are not media owners, but have access to these channels; for example YouTube and Weblogs. Holt (2002) asserts that whilst there are tensions between iconic brands and the anti-brand movements, which appear at first glance to suggest contradictory and opposing standpoints; they may in fact upon further analysis be logically connected. Building on this, the authors suggest that this qualifies their inclusion in stakeholder analysis and their presence can be quantified according to positive, neutral, or negative communication.
Richardson (2002) reports of a situation where Frank Whitestone, a disgruntled broadband customer of NTL (website: ntlworld.com), created NTHellworld.com. This site gained a search listing directly below that of NTL’s and became a platform for fellow customers and employees to share their less than positive views. NTL were able to purchase the site from Frank and offered him a job, which he duly accepted. Following this, NTL rebuilt the site reframing the vitriolic content as being more humorous and tongue-in-cheek; making it an additional arm to their less than popular customer support. Eventually NTL migrated the site to a new domain that they purchased, which was NThelpworld.com. In this example it is apparent that the interplay between stakeholders is indicative of attributes which shift and also the rising significance of the non-Owner. Furthermore, Frank demonstrates a stakeholder journey which is reflective of him having moved states from non-Owner to Owner.

The call to refine and regroup brand stakeholders
Research undertaken by Fiedler and Kirchgeorg (2007) supports the view that stakeholder groups can be identified and “the attributes differ substantially among customers, employees, shareholders and journalists” (p.183). This correlates with Jones (2005) view, where he seeks to arrange internal and external stakeholder groups around a brand centred “daisy wheel” (p.18); which is also termed as a hub-and-spoke model by other sources. In contrast, Bhattacharya and Korschun (2008) assert that “Much of the current thinking in stakeholder theory is still tied to the classic hub-and-spoke model, in which stakeholders are distinct and mutually exclusive. However there is a growing consensus that a firm’s constituents are actually embedded in interconnected networks of relationships through which the actions of the firm reverberate with both direct and indirect consequences”, (Bhattacharya and Korschun 2008, p.113). Therefore they suggest that “one urgent need involves frameworks that identify key stakeholders and describe their motivations for collaborating with the firm”, (p.116).

Mitchell, Agle and Wood (1997) classify stakeholders according to their power, legitimacy and urgency, grouping them accordingly [Appendix 1]. From their literature search they cite that legitimacy is rooted in either some form of contractual relationship, or desirability. However, the brand communication stakeholder interplay as mentioned by the authors, in turn yields the idea that legitimacy will become problematic - as it is in fact self-governed, self defined and difficult to regulate. From this desirability may not be experienced by all associated parties, nor might formal contractual relationships exist. An example of this occurs when observing the prominence of the self-elected anti-branding and no-Logo movements that have been able to exert their influence. Furthermore when examining the issue of power it might help to think of the analogy of rugby players – where a large slow heavy player, or a small fast light player, may both be able to generate the same amount of impact in a contact situation; but their power is used in different ways and has a different effect. In the same way the power of a stakeholder will differ and will be effectual in specific situations.

Wolfe and Putler (2002) mention that stakeholder analysis tends to rank groups primarily according to role; which they feel is not a problem when stakeholders have a similar priority. However difficulties with this perspective occur in situations “in which self-interest is not the primary motivator of individuals’ priorities” (p.64). For these reasons Wolfe and Putler (2002) draw from customer segmentation literature and propose an approach which accommodates “heterogeneous priorities within role-based stakeholder groups” (p.64). In a similar thread Miles, Munilla and Darroch (2006) observe that there are increasing examples “of firms that manage to demonstrate a pluralistic mindset” with regards an “ability to provide superior returns to shareholders whilst maintaining a strong CSR profile” (Miles, Munilla and
Darroch 2006, p.203). This seems to suggest that roles can and will shift, and interest groups may oscillate between homogeneity and heterogeneity. Following these, the authors propose the following model [Fig. 1, explained in Appendix 2].

Flow of Communication & Interplay between Brand Stakeholder groups

Fig. 1

Conclusion

By drawing from the cultural approach to branding, along with Freeman’s (1984) definition, and the attributes listed by Mitchell, Agle and Wood (1997), the authors seek to take a broad view of stakeholders, at a macro level, positioning them according to: (1) Ownership/nonOwnership/temporary Ownership (Donership); (2) Usage/nonUsage; (3) Communication; (4) Stake - qualified according to bargaining power, interest and impact. In doing so, brand stakeholder analysis is able to more successfully accommodate the No Logo/anti-branding movements, social networkers and bloggers – under what have been termed by Holt (2002) as being citizen artist brands. The authors propose that in branding, due to the significant nature of communication and meanings, and the values and opinions held by stakeholders; it is possible that one stakeholder may in fact oscillate between more than one of these fields, depending on the situation - as opposed to being a static model which seeks to group stakeholders in one field. From this the authors wish to shape future research agendas, by aligning stakeholder thinking with communications models observed in transactional analysis - which refer to individuals occupying states which are subject to variance; and are a culmination of collective interactions. An area which is notably absent from much stakeholder analysis is also that of the role of the non-User. The suggestion is that in brand communication, through moving away from an analysis based primarily on consumption and ownership, their significance is also in fact crucial. As brand health, messages and values are subject to cognitive, affective and conative patterns; there is a danger that existing stakeholder analysis places too much weight on judgements which observe only behaviour. Therefore through only evaluating behaviour, and that of the most visible; deep-structured responses may be misread and future predictions limited.
References


Supporting websites

http://www.newssift.com/

http://twendz.waggieneredstrom.com/

http://www.tweetfeel.com/
Appendix 1

Stakeholder Typology

## Appendix 2

<table>
<thead>
<tr>
<th>Who</th>
<th>Main attributes</th>
<th>Stake</th>
<th>Power /Bargain</th>
<th>Legitimacy /Interest</th>
<th>Urgency /Impact</th>
<th>Main Direction of Communication</th>
<th>Stakeholder Evaluation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Owner (Internal)</td>
<td>Commercial brand accountability &amp; interest in others’ consumption/stake</td>
<td>Key/Primary</td>
<td>High-Low (subject to role &amp; externals)</td>
<td>High-Med (subject to role &amp; externals)</td>
<td>High-Low (subject to role &amp; externals)</td>
<td>To other Owners, non-Owners &amp; Doners</td>
<td>Level of influence, Duties, Involvement, Accountability, Share of Voice</td>
</tr>
<tr>
<td>non-Owner (External)</td>
<td>an interest in consumption - without commercial gains</td>
<td>Secondary/Key</td>
<td>Low-High</td>
<td>Low-High</td>
<td>Low-High</td>
<td>To Owners &amp; non-Owners</td>
<td>Level of influence, Duties, Involvement, Share of Voice, Opinion, Involvement, Emotional attachment/disassociation</td>
</tr>
<tr>
<td>User Key Consumer (e.g., Celebrity, Social Networker)</td>
<td>Awareness &amp; active brand opinion - driving consumption</td>
<td>Secondary/Key</td>
<td>Med-High</td>
<td>Med-High</td>
<td>Med-High Consistent</td>
<td>To Users and non-Users</td>
<td>Brand loyalty/satisfaction/importance, level of consumption, level of emotional attachment/involvement, Opinion, ability/volume/type of communication</td>
</tr>
<tr>
<td>Active non-User Gatekeeper (e.g., Media, NGO, Government, Social Networkers)</td>
<td>Awareness &amp; active brand opinion - but no consumption</td>
<td>Secondary/Key</td>
<td>Med-High</td>
<td>High/Low</td>
<td>High Temporal</td>
<td>To decision-making Owners, Doners, Users &amp; non-Users</td>
<td>+ve/-ve opinion, priority, level of influence, nature of communication, share of voice, willingness to engage with owner</td>
</tr>
<tr>
<td>User Consumer</td>
<td>Awareness &amp; active brand opinion - driving consumption</td>
<td>Secondary</td>
<td>Low-Med</td>
<td>Med</td>
<td>Med Consistent</td>
<td>To Users &amp; non-decision making Owners</td>
<td>Brand loyalty/satisfaction/importance, level of consumption, level of emotional attachment/involvement, Opinion</td>
</tr>
<tr>
<td>Passive non-User (e.g., Gen. Public, Brands, Firms, Intermediaries)</td>
<td>Awareness &amp; passive brand opinion - but no consumption</td>
<td>Secondary</td>
<td>Low</td>
<td>Low</td>
<td>Low Temporal</td>
<td>To Users &amp; non-Users</td>
<td>Top of mind awareness, +ve/-ve opinion, level of influence, interest, pull to recommend</td>
</tr>
<tr>
<td>Doner (External)</td>
<td>drawn towards an interest in others’ consumption</td>
<td>Key/Secondary</td>
<td>Med-High</td>
<td>High-Low</td>
<td>High</td>
<td>To Owners &amp; non-Owners</td>
<td>Opinion, Influence, Involvement, Emotional attachment</td>
</tr>
<tr>
<td>Key Consumer (Celebrities, Social Networkers)</td>
<td>User-initiated brand opinion, driving consumption</td>
<td>Key/Secondary</td>
<td>High-Med</td>
<td>High-Med Consistent</td>
<td>To Users, non-Users, Owners &amp; Doners</td>
<td>Brand loyalty, level of influence, share of voice, willingness to engage with owner, ability/volume/type of communication</td>
<td></td>
</tr>
<tr>
<td>Media (Paid for promotion)</td>
<td>Owner-initiated brand opinion, driving consumption</td>
<td>Key/Secondary</td>
<td>Med-High</td>
<td>High Temporal</td>
<td>To non-Owners &amp; decision-making Owners</td>
<td>Level of influence, share of voice, priority, frequency/reach, level of involvement</td>
<td></td>
</tr>
<tr>
<td>Endorser (Individuals/Firms, binding contract)</td>
<td>Owner-initiated brand opinion, driving consumption</td>
<td>Key/Secondary</td>
<td>Med</td>
<td>High Temporal</td>
<td>To non-Owners, decision-making Owners</td>
<td>Level of influence, loyalty, share of voice, priority, frequency/reach, level of involvement, adherence to Owner’s terms</td>
<td></td>
</tr>
<tr>
<td>Channel Partner</td>
<td>Collaborative, driving consumption</td>
<td>Key/Secondary</td>
<td>Low-High</td>
<td>High Persistent</td>
<td>To Owners &amp; non-Owners</td>
<td>Level of involvement, level of influence, reach, loyalty, pull to recommend</td>
<td></td>
</tr>
</tbody>
</table>