Navigating the emergence of brand meaning in service ecosystems

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<th>Journal:</th>
<th>Journal of Service Management</th>
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<td>Manuscript ID</td>
<td>JOSM-07-2021-0261.R3</td>
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<tr>
<td>Manuscript Type:</td>
<td>Research Paper</td>
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<tr>
<td>Keywords:</td>
<td>purpose-driven branding, brand meaning cocreation, service ecosystems, brand management, brand hierarchy, social emergence</td>
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Abstract

**Purpose:** The purpose of this paper is to clarify how brand meaning evolves as an emergent property through the cocreation processes of stakeholders on multiple levels of a brand’s service ecosystem. This provides new insight into the intersection between brands, consumers, and society, and emphasizes the institutionally situated nature of brand meaning cocreation processes. It further lays a holistic foundation for a much-needed discussion on purpose-driven branding.

**Design/methodology/approach:** Combining the ecosystem perspective of branding with the concept of social emergence allows clarification of brand meaning cocreation at different levels of aggregation. Emergence means collective phenomena – like social structures, concepts, preferences, states, mechanisms, laws, and brand meaning – manifest from the interactions of individuals. Drawing on Sawyer’s (2005) social emergence perspective, we propose a processual multi-level framework to explore brand meaning emergence.

**Findings:** Our framework spans five levels on brand meaning emergence: individual (e.g., employees and customers); interactional (e.g., where work teams or friend groups interact); relational (e.g., where internal and external actors meet); strategic (e.g., markets and strategic alliances); and systemic (e.g., regulators, NGOs, and society). It acknowledges that brand positioning is an inherently co-creative process of negotiating value propositions and aligning behaviors and beliefs among broad sets of actors, as opposed to a firm-centric task.

**Originality:** Service research has only recently embraced a macro-micro perspective of branding processes. This paper extends that perspective by paying attention to the nested service ecosystems in which brand meaning emerges and the degree to which this process can (and cannot) be navigated by individual actors.

**Keywords:** brand meaning cocreation, service ecosystems, brand management, brand hierarchy, purpose-driven branding, social emergence

**Paper type:** Conceptual
Introduction

Brands represent considerably more than just logos, symbols, and names. They take on social and cultural meaning for multiple stakeholders beyond firms and customers (Bergvall, 2006; Conejo and Wooliscroft, 2015). However, even though managing brands is, “in essence, about managing brand meanings” (Fournier, Solomon, and Englis, 2008, p.35), major brands continue to attract attention for letting themselves – and society – down. This can lead to severe reputational damage and cognitive dissonance for stakeholders. Think about Walmart, long respected for its approach to ‘shared value creation’ (Porter and Kramer, 2011), which aims to deliver value to other stakeholders beyond just shareholders. However, the brand has recently been severely criticized for selling Brazilian beef linked to rainforest destruction (Wasley and Heal, 2021). Meanwhile, Disney continues to entertain its customers and delight its shareholders, but in 2019 was called out by Abigail Disney (grandniece of Walt Disney) for the ‘naked indecency’ of the CEO’s remuneration, which was 1,424 times the median pay of Disney workers (Disney, 2019). What is apparent in these examples is an incongruence in how these brands cocreate brand meaning with different groups within society. Between these two firms, workers and the natural environment are suffering, and brand equity is being undermined.

Branding literature increasingly reflects that brand meaning is cocreated by multiple actors, including family and friends, retailers, employees, regulators, and media (Fyrberg and Jüriado, 2009; Hatch and Schulz, 2010). Additionally, the institutionally situated nature of how brand meaning is cocreated is becoming recognized (O’Guinn, Muniz and Paulson, 2015; Tierney, Karpen and Westberg, 2016). However, the interdependence of guiding institutional arrangements that shape brand meaning cocreation, and the actions of actors embedded within them, is not fully clear. Institutional arrangements are interlinked, interdependent sets of formal and informal institutions that guide and organize social interaction (Nicosia and Mayer, 1976;
Vargo and Lusch, 2016). For example, institutional arrangements that guide processes of brand meaning cocreation associated with Disney include (but are not limited to) regulations and laws that specify Disney’s responsibilities toward employees and shareholders, internal norms adopted by managers and workers within Disney, consumer beliefs and assumptions of Disney products, formal contracts between Disney and its collaborators (e.g., contract manufacturers and licensees), and norms and expectations held by media commentators. Hence, the institutional arrangements that influence different actor groups (e.g., managers, workers, young children, parents, reporters, pressure groups) are not always shared. Brand meaning cocreation processes will unfold differently within these diverse groups. However, different groups are also not fully divorced from one another; they too are interdependent through their interactions (e.g., where Disney workers and theme-park visitors intersect). Hence, how different institutional arrangements impact brand meaning cocreation processes involving different groups needs further elaboration.

Recently, Sarasvuo, Rindell and Kovalchuk (2022) undertook a comprehensive literature review about cocreation in branding. This led them to distinguish between cocreation outcomes for marketers, those for stakeholders, and mutual outcomes shared by both, which lead to brand meaning. Our research expands on these cocreation outcomes by providing an ecosystemic conceptualization of branding. Specifically, the purpose of this paper is to clarify how brand meaning evolves as an emergent property on multiple levels of a brand’s service ecosystem. Service ecosystems are “relatively self-contained, self-adjusting systems of resource-integrating actors connected by shared institutional arrangements and mutual value creation through service exchange” (Lusch and Vargo, 2014, p.161). Service ecosystems are nested at different levels of aggregation (Koskela-Huotari et al., 2016), the largest being the global economy and the smallest being interactions between two individuals (Maglio & Spohrer, 2008). Examples of intermediate levels include (but are not limited to) phenomena
like markets, industries, brand communities, organizations, work teams, and families. Each level features different sets of institutional arrangements that are, themselves, generated by the behavior, practices, expectations, and assumptions of embedded actors. Hence, the service ecosystem framework allows conceptualizing the emergence of brand meaning as an evolving, dynamic process involving different but interdependent groups of embedded actors and guiding institutional arrangements.

Our contribution is as follows. While recent brand literature offers important insights into the intersection of branding, consumers, and society (Conejo and Wooliscroft, 2015; Sarasvuo et al., 2022), the emergence of brand meaning at different, nested levels of aggregation is not yet explained. We provide a framework that shows how brand meaning unfolds at multiple levels, resulting from dynamic cocreation processes among various actors. Further, institutional arrangements that reside at these different levels and how brand meaning is embedded within them is explicated on individual (e.g., employees and customers); interactional (e.g., where work teams or friend groups interact); relational (e.g., where internal and external actors meet); strategic (e.g., markets and strategic alliances); and systemic levels (e.g., regulators, NGOs, and society). Thus, our framework provides new insight into the intersection between brands, consumers, and society, provides greater detail of the institutionally situated nature of brand meaning cocreation, and lays a holistic foundation for a much-needed discussion on purpose-driven branding.

The remainder of the paper proceeds as follows. First, we examine contrasting conceptualizations of branding to justify the service branding perspective. We then draw on the social emergence perspective (Sawyer, 2005) to develop a theoretical framework for integrative branding within nested service ecosystems that reflects the critical role of actor interactions at different levels. The framework explores how branding processes can reflect congruence – alignment and consistency – between a brand’s value propositions, behavior, and
its different stakeholders’ aspirations. The final section draws theoretical and managerial implications and identifies areas for future research.

Towards a service ecosystem perspective of branding

*From trademarks to interactive branding*

Traditionally, branding research was underpinned by theories from micro-economics and psychology (Brodie *et al.*, 2017). From economics, signaling theory is used to explain how identity formation unfolds (e.g., Erdem and Swait, 1998; Spence, 1976). From psychology, associative memory concepts are used to develop theory about consumer brand knowledge (e.g., Keller, 1993). This early research focuses primarily on consumer goods and choice and how consumers grow to identify (with) certain brands. Most of this work takes a managerial perspective (see Jacoby *et al.*, 1971; Levy, 1955) where a brand represents a “promise of the bundle of attributes that someone buys” (Ambler and Styles, 1996, p.10). Hence, the buyer is merely a receiver of brand communications (Keller and Lehmann, 2006). While this research provides micro-level guidance, little insight is offered into the intersection between brands, consumers, and society, or dynamic brand-building processes.

In response, Brodie *et al.* (2006) emphasize the critical role of brand meaning from an organizational perspective, where brands signal identities that inspire processes of brand meaning creation. To do so, service brands offer value propositions. Value propositions are “invitations from actors to one another to engage in service” (Chandler and Lusch, 2015 p.8), and trigger value cocreation processes through firm-customer, firm-staff, and staff-customer marketing. Such processes successfully build customer brand perceptions and inspire employees to deliver trustworthy service offerings (Brodie *et al.*, 2009). For example, the behavior of Disney theme-park staff must be aligned with Disney marketing collateral and customer expectations and experiences. Nevertheless, this Relationship-Focus Brand Era
(Merz et al., 2009) still somewhat overemphasizes the role of organizations in managing brand meaning.

From experiential to stakeholder-centered branding

More recent research recognizes the dynamic nature of brands comprising social, relational, cultural, and experiential dimensions (e.g., Merz et al., 2009; Cayla and Arnould, 2008). Firms garner great value from the meaning of their brands (Moor, 2008), cocreated through time as consumers use brands to reflect their ideal self (Belk, 1988). For example, people worldwide can be seen wearing clothing with Harvard or NASA branding despite having no direct association with the organizations.

Consumer culture theory has been used to explore brand experiences as consumption practices (e.g., Arvidsson, 2006; Onyas and Ryan, 2015). Cayla and Arnould (2008) argue branding is a specific form of communication that tells stories in the context of products and services that promise to fulfill unmet desires and needs. Drawing on social practice theory, branding is viewed as ongoing processes of meaning creation. These processes unfold within brand communities, social networks (e.g., Schau, Muñiz, and Arnould, 2009), and brand relationships (e.g., Fournier, 1998), involving diverse actors cocreating value and brand meaning for themselves and others (Schau, Muñiz, and Arnould, 2009). Stakeholder theory has been used to study cocreation of brand meaning through the activities of various sets of market actors (e.g., Muzellec and Lambkin, 2009). Vallaster and von Wallpach (2013) posit brands are in a constant state of flux as stakeholders constantly negotiate and (re)define brand meanings through discursive activities. Likewise, others suggest brands are cocreated by diverse actors like employees, regulators, retailers, media, and family and friends (e.g., Fyrberg and Jüriado, 2009; Hatch and Schulz, 2010).

These recent approaches highlight customers, brand communities, and other stakeholders contribute to continuous, dynamic, and interactive brand value cocreation
processes (Merz et al., 2009). However, despite the stakeholder-centricity of these approaches, they do not fully cover the systemic and institutional nature of brands.

**Brands as nested service ecosystems**

The notion of brand ecosystems is not new. However, a systematic treatment of nested ecosystems has largely been ignored with either managerial perspectives being dominant (Winkler, 1999), the system definition being selectively narrow (Bergvall, 2006), or the system being seen as existing on a single plane comprising large generic actor groups. For example, using the business ecosystem perspective (Moore, 1996), Pinar et al. (2011) explicate a brand ecosystem framework for higher education that recognises the activities undertaken “in a value-creation network that provide value to the institution’s various constituencies, both internal and external” (p.731). The actor groups include students, their parents, employers, donors, and alumni. While this systemic view offers important contributions regarding the potential influence a brand has on shaping institutions, this view remains firm-centric.

Telescoping out further, service-dominant logic (Vargo and Lusch, 2004, 2016) has been utilized to provide a theoretical explanation for the cocreation of brand meaning (Merz et al., 2009). Cocreation processes are perceived as unfolding within interactive buyer-seller dyads and within networks and systems (Ind, Iglesias, and Schultz, 2013). Tierney et al. (2016) explore how common, shared – and diverse – meanings develop within highly networked contexts. Adopting a service ecosystem perspective, the authors emphasize the iterative and institutionally situated nature of brand meaning cocreation processes, which involve direct and indirect interactions and integration of resources, shaped by governing institutional arrangements. Institutional arrangements are the overlapping formal and informal rules, values, and norms that guide and coordinate embedded actors’ practices, behaviors, and assumptions through time and space (Thornton and Ocasio, 1999; 2008). These institutionally embedded cocreation processes lead to 1) cocreated brand value – an actor’s assessment of the value they
derive from collaborative brand-related activities (Hollebeek et al., 2021), and 2) cocreated brand meaning – the emotional and cognitive understanding an actor ascribes to a brand (Tierney et al., 2016).

The extant research, reviewed above, reflects multiple actors socially construct brands through time (Pettigrew, 1997). However, where network perspectives have been adopted, the activities of different groups at the micro-level are typically the focus, with primacy given to dyadic and triadic relationships. Little consideration is given to the guiding or institutional factors that govern and influence choices, behaviors, and practices. Even when institutional arrangements have been recognized as guiding cocreation processes, little attention has been given to the generative properties of the cocreation processes that unfold within and between different actors at different levels. As O’Guinn et al. (2018, p.134) opine, even the “more socially inclusive models [of branding] still have an institutional blind spot where midlevel (i.e., all group, not individual and cultural) entities and processes manifest.”

Emergence of brand meaning

The challenges to developing shared brand meaning are in achieving congruence between value propositions, brand behavior, and the expectations and experiences of different actors (Berthon Pitt, and Campbell, 2009) at different levels of aggregation. To draw on an earlier example, while Disney continues to offer value propositions reflective of family-friendly morals, it remains dogged by accusations of poor treatment of its workers (at the micro-level) (Dreier, 2020), and misrepresentations of minorities (Elman, 2020) and women (Romadhon, 2020) at the societal-macro-level. Such criticisms present an ongoing reputational risk to the brand and undermine the overall brand meaning Disney hopes to promote.

Combining the ecosystem perspective of branding (Conejo and Wooliscroft, 2015; Tierney et al., 2016) with the concept of emergence (Elder-Vass, 2010) allows clarification of
brand meaning cocreation at different levels of aggregation. Systems theory specifies that systems take on emergent properties as interactions unfold (Elder-Vass, 2010; Sawyer, 2005). A system has emergent properties when it features qualities greater than the sum of its constituent parts (Simon, 1962). Humans do not have the individual capacity to generate emergent properties, but collectively, humans possess emergent causal powers because social events manifest from interactions (Elder-Vass, 2010). Emergence means collective phenomena – like institutions, structures, concepts, preferences, states, mechanisms, laws, and brand meaning – manifest from the interactions of individuals (Goldenberg, Libai and Muller, 2001; Pena and Breidbach, 2021; Vargo and Lusch, 2014).

Drawing on Sawyer’s (2005) social emergence perspective, we propose a processual framework of brand meaning emergence that accounts for brand meaning cocreation across five nested levels of service ecosystems. This framework reflects processes of emergence involving combinations of actors at different levels of aggregation (see Figure 1). These levels are 1) individual and 2) interactional at the micro-level; 3) relational and 4) strategic at meso-level; and 5) systemic at macro-level. Each level (or analytical frame) exists as analytically separate from the actors within, due to the causal power of each level over its embedded actors. This causal power is reflected in the way the emergent, governing institutional arrangements of each frame shape the behaviors and practices of embedded actors (Taillard et al., 2016). Brand meaning is also an emergent property generated by the interactions performed by actors (as reflected in the horizontal double-headed arrows in Figure 1). Hence, while each frame is a product of interacting individuals, each frame also shapes and guides the behavior, actions, and practices of embedded actors (Baker and Nenonen, 2020). These upward and downward causal powers that exist at each level are depicted by the vertical double headed arrows in Figure 2.
Figure 1: Multi-level process framework of brand meaning emergence within nested service ecosystems (adapted from Sawyer, 2005)
Within and between each level, both brand owners and other stakeholders perform critical roles in branding processes and the cocreation of shared brand meaning. We argue, if a brand owner achieves congruence between value propositions and brand behavior enacted within each level and between different levels, shared brand meaning will manifest. Importantly, complete congruence in brand meaning is an ideal state and might never be fully achieved since value propositions of actors change over time (Berthon et al., 2009). Hence, incongruence – because of misaligned value propositions – drives change in brand meaning and allows brands to evolve. At the same time, misaligned value propositions cause tensions and increase pressures within and between nested levels of service ecosystems. Organizations that are 1) aware of increasing pressures building up in their brand’s service ecosystem, and 2) prepared to relieve such pressures by (re-)aligning their value propositions and behavior, cocreate more meaningful and resilient brands that are considerably less prone to external disturbances and reputational risk. Finally, shared meaning paves the way for a coherent articulation of brand purpose – a critical success factor in the 21st century (Hajdas and Kleczek, 2021) – and how transformative branding (Spry et al., 2021) might be accomplished in practice.

In the remainder of this section, we discuss congruence within and between a brand’s five nested service ecosystem layers. Drawing on academic and media articles, brand strategies will be illustrated with examples of firms such as Patagonia that closely and continuously align their value propositions with those of their stakeholders at all levels. We further refer to examples of companies that demonstrate incongruence between their value propositions and behavior, and those of their stakeholders. We will show how these incongruences create pressures that, if not relieved, lead to distortions in brand meaning (e.g., through scandals, negative press, or financial penalties).
(Re)alignment processes to influence the emergence of brand meaning

Level 1: Individual-brand congruence (lower-micro level)

The individual level comprises individual actors’ complex personalities with wants, needs, values, and preferences, guided by higher level institutional arrangements (Figure 1). At the individual level, complex identity processes unfold that compare one’s self-identity with the identity or ‘persona’ of the brand. These processes manifest in both external stakeholders (e.g., customers) as well as internal stakeholders (e.g., workers and managers).

Managers have long used organizational values as recruiting and publicity tools (Braddy, Meade, and Kroustalis, 2006). Congruence between the value proposition of an employee (based on their self-identity) and the value proposition of an organization positively impacts employee satisfaction and organizational performance (e.g., Finegan, 2000; Fitzgerald and Desjardins, 2004) by delivering benefits like reduced turnover and increased commitment (Johnson and Jackson, 2009). Employees that value achievement, honesty, and fairness are more likely to be attracted to brands that demonstrate these values (Judge and Bretz, 1992), while brands that focus on corporate responsibility enjoy a competitive advantage in the quality of staff they attract (Turban and Greening, 1997).

Customers were traditionally drawn to brands based on price, quality, and speed. But today, experience, affective qualities, and public good are additionally critical (Lee, Olson, and Trimi, 2012). At this level, individuals are drawn to brands that personally ‘resonate;’ that enable them to express and communicate themselves (Fournier et al., 2008). The more brands enable a sense of self-identity, self-efficacy, and belongingness in individuals, the more likely those individuals will experience a sense of ownership and enact behaviors like loyalty, trust, and generation of positive word-of-mouth (WOM; Baker, Kearney, Laud, and Holmlund, 2021).
The US outdoor clothing brand and B-Corporation, Patagonia, is an example of a firm that has a strong emphasis on people – both customers and employees (Grewal, Roggeveen, Sisodia and Nordfält, 2017). Employees of all levels benefit from profit-sharing, can have paid time off for environmental projects, and enjoy comprehensive healthcare coverage. For conscious consumers, Patagonia’s core values, which include causing no unnecessary harm and building the best product, are critical. Inversely, brands that purport to offer a particular value proposition but demonstrate conflicting behavior attract criticism (Lawrence and Lawrence, 2009). Amazon, the giant US e-commerce and technology firm, calls itself “Earth’s best employer.” Yet, it has a reputation for relentless working practices leading to employees having to urinate in plastic bottles rather than having breaks (BBC, 2021a). This incongruence on the lower-micro level of Amazon’s service ecosystem builds up tensions between what the brand proposes and its actual behavior that over time – as we will explain next – ripples through to the upper-micro, meso- and macro-levels. Hence, managers are encouraged to ensure their brand’s value proposition is congruent with working practices, life values, and aspirations of both workers and customers.

**Level 2: Interaction-brand congruence (upper-micro-level)**

The *interactional* level features the smallest service ecosystem (Maglio & Spohrer, 2008), encompassing interactions within an organization (e.g., work teams) or within families and friend groups. A focus on this level enables a view of groups with ‘thinner bonds’ (O’Guinn *et al.*, 2018) than those present in, for example, formalized brand communities, NGOs, or media organizations. Interactions at this level transmit brand meaning through conversations and information exchange, which frequently manifests as positive or negative WOM.

Personal interactions are enormously influential in stimulating subjective emotional responses toward a brand (Tierney *et al.*, 2016). For example, when choosing healthcare
providers in the US, customer decisions are predominantly guided by WOM from friends and relatives rather than price or quality information (Tu and Lauer, 2008). Congruence at this interactional level, reflected in positive WOM, influences individual level value propositions (e.g., which brands are deemed desirable by individuals).

Equally important is shared brand meaning amongst employees, who populate a firm’s ‘internal market,’ due to the critical role of employees in “influencing how the external market makes sense of the brand” (Dean et al., 2016, p.3042). Shared brand meaning at this level emerges from social interactions between management and workers, and exposure to internal communications. Initiatives such as access to healthcare and positively influencing employee attitudes and emotions around health and well-being (Aksoy et al., 2020) generates work team success, reduced stress, and increased well-being (Brown and Trevino, 2006; Hewlin, Dumas and Burnett, 2017). Hence, organizational culture and working practices are a key determinant in the co-creation of brand meaning within the firm.

Trader Joe’s, the large US grocery chain that focuses on selling environmentally friendly products, demonstrates engaged employees lead to delighted customers (Heskett, Sasser and Schlesinger, 1997). The chain creates work environments that reward employees for performance and knowledge growth. Patagonia empowers staff to make transparent, democratic decisions and apply equal consideration to quality, products, and the environment (O’Rourke and Strand, 2017). In contrast, in 2021 Amazon worked hard to prevent unionization of one of its warehouses in Alabama. It used fake Twitter accounts to argue against unionization (BBC, 2021b), launched an anti-union website, and engaged in one-on-one and group conversations with workers to spread anti-union views (O’Brien, 2021). This behavior conflicts strongly with the value proposition the firm presents to its workers (“Earth’s best employer”), thereby increasing tensions and generating reputational risk for the brand (Fleming, 2021).
Level 3: Congruence in brand-network relationships (lower-meso-level)

The lower-meso relational level features exchanges and interactions between brand owners and primary external stakeholders both forward and backward in the value chain (e.g., suppliers and distributors) plus customers (e.g., in-store or on digital channels) (Brodie et al., 2006). Within business-to-business (B2B) partnerships, congruence involves shared goals, values, and aligned behaviors, which increases trust and creates mutual value for all stakeholders (He, Huang, and Wu, 2018). Congruence is embedded in mutually beneficial agreements and trustworthy working practices. Patagonia promotes transparency in its supplier relationships and works in close partnership with like-minded suppliers (O’Rourke and Strand, 2017; Patagonia, 2021a). This approach includes a joint code of conduct with strict policies addressing forced labor, discrimination, overtime payments and hours of work, health and safety, and animal welfare.

Interactions with customers as primary external stakeholders are critical at this level. The rise of online conversations (e.g., brand fan groups) and the impact of influencers means brand managers can struggle to maintain control of brand meaning and experiences (Swaminathan et al., 2020). Hence, opportunities to ensure congruence when managers do have control are becoming increasingly important, e.g., in brand-provided online communities. At this level, family (or umbrella) brands (those used in multiple product categories, e.g., ESPN) and individual brands (that occupy one product category, e.g., ESPN online) (Keller, 2013), market segmentation models, and brand-customer communications are key for reflecting congruence (Brodie et al., 2006).

Again referring to the Patagonia brand, a core strategic advantage arises from its communications with customers and brand fans about its sustainability initiatives (Rattalino, 2017). Patagonia’s “Don’t buy this jacket” campaign in 2011 discouraged customers from
unnecessarily purchasing replacement clothing. The campaign was part of its broader “Common Threads Initiative,” which involved assisting customers in reselling used Patagonia-branded clothing to one another.

Managers must be cognizant that brand meaning at the relational level is cocreated through authentic and sustained relationships at touchpoints between external and internal stakeholders. Customers rarely engage in brand cocreation alone, hence, brand meaning cocreation involving both internal and external actors are critical (Payne, Storbacka, Frow, and Knox, 2009). To grow and sustain long-term B2B relationships, brands must be trustworthy and reciprocal towards like-minded organizations (Dyer and Singh, 1998). Alignment of stakeholder value propositions creates brand trust (Brodie et al., 2009), which then bleeds down to the interactional level (e.g., as WOM), while also influencing the upper ecosystem levels (e.g., the brand’s strategic positioning), discussed next.

**Level 4: Strategic (upper-meso-level) congruence related to brand positioning**

The strategic level of brand meaning involves the positioning of corporate and family brands (Brexendorf and Keller, 2017; Keller, 2013) within industries and markets, embedded in institutional arrangements like industry standards and norms, strategic alliances, and collective bargaining agreements.

Strategic alliances are enormously dependent on both shared values and trustworthy behavior, which deliver benefits such as increased innovation and entrepreneurial behavior (Antoncin and Prodan, 2008; Spekman et al., 1996). Through collective effort, industry members behave strategically to protect their own interests and those of the industry. However, these collective efforts can undermine brand trust. In 2015, it was revealed that Volkswagen had been deliberately installing software (called defeat devices) in their diesel-powered cars to avoid emissions standards, leading to the so-called ‘Dieselgate’ scandal (Jolly, 2021). Although
the scandal was originally thought to just involve Volkswagen, it involved collusion with BMW and Daimler (owner of the Mercedes-Benz brand). Despite claiming their diesel engines reduced dangerous emissions, the three carmakers intentionally engaged in collaborative deception – behavior wildly incongruent with their value propositions of state-of-the-art environmentally friendly vehicles.

In contrast, the Sustainable Apparel Coalition is a non-profit alliance whose members collectively produce about a third of all footwear and clothing sold in the world (Patagonia, 2021b). The Coalition includes apparel, footwear, and textile brands, universities, trade associations, and suppliers to the apparel industry. The Coalition developed the Higgs Index, “a suite of tools that standardizes value chain sustainability measurements” (Sustainable Apparel Coalition, 2021, para. 2). In so doing, the Coalition is 1) responding to the swaths of fashion consumers who demand greater sustainability, and 2) delivering to its vision “of a global consumer goods industry that gives more than it takes” (ibid., para.3).

For managers, beyond abiding by industry standards and expectations, strong alignment between the value propositions of alliance partners builds relationships characterized by high levels of trust, innovation, and shared value creation in the long-term. Congruence between value propositions and brand behavior cements a brand’s positioning within its market.

**Level 5: Systemic (macro-level) congruence with socio-cultural-ethical expectations**

Finally, at the systemic level, brands provide symbolic meaning and generate value for society and the broader environment (Conejo and Wooliscroft, 2015). Here, a brand’s social and legal right to operate is determined (Carroll, 1991) by actors including regulators and NGOs, and various ‘cultural arbiters’ like media organizations (Fournier et al., 2008). By extension, brand meaning is embedded in institutional arrangements like societal ethical expectations, socio-cultural norms, and government laws and policies.
At this level, managers determine whether brands should resonate, reflect, and reinforce socio-cultural paradigms, or alternatively, deliberately challenge or reshape them (Fournier et al., 2008; Holt, 2012). As previously mentioned, Patagonia encouraged customers to not buy their clothes. While somewhat counter-intuitive as a branding strategy, this innovative approach was congruent with the Zeitgeist of affluent conscious customers (thereby generating increased sales), and a broader movement toward sustainable business practices. Alternatively, cultural branding strategies can leverage counter-cultural ideologies or marginalized communities to innovate institutionalized socio-cultural norms (Holt, 2012). The iconic American brand, Jeep, has begun to attract criticism for its continued use of Native American names on its vehicles, labeled as exploitative and kitsch (Lee, 2021). However, such criticism might be an example of the kind of ‘wokeness’ the Jeep brand, its buyers, and wider stakeholders do not identify with. By continuing to label its vehicles in the same way, it could be argued that Jeep is demonstrating continued congruence between its brand meaning and its stakeholders’ sensibilities.

From a legal perspective, brands must demonstrate behaviors congruent with regulators that enforce community interests, as reflected in the significant penalties imposed on Volkswagen and BMW for the Dieselgate scandal (Jolly, 2021). Congruence between a brand’s value proposition and social and legal expectations is essential as it 1) mitigates risks associated with interference and penalties, 2) reduces tensions related to increasing public pressure for social and environmental responsibility, and 3) enables cocreation of a brand meaning accepted by regulators and communities – either broad social groups or key subgroups. Importantly, greenwashing – disingenuous communications about environmental performance – should be avoided as it is particularly destructive to brand reputation (Guo et al., 2017), hence, authenticity is key.
Secondary, peripheral stakeholder groups become critical at the systemic level (e.g., environmental groups, ethical and fair-trade proponents, and media representations of brands). For example, a Greenpeace report in 2012 about environmentally unsound waterproofing used on Patagonia’s jackets immediately put severe pressure on the brand (O’Rourke and Strand, 2017). A petroleum-based repellent provided Patagonia’s products with the most durable finish (satisfying its value proposition of providing the best products). But the toxicity of the repellent directly contradicted the brand’s value proposition of doing no harm. In response, Patagonia invested in a textile start-up, Beyond Surface Technologies (BST), that was taking innovative approaches to waterproofing. Together, BST and Patagonia engaged in co-innovation projects involving universities and museums focused on biomimicry to create a non-chemical solution. In so doing, the company relieved pressure on the brand through re-establishing congruence.

At this level, strategic leaders must be openminded about their brands, brand responsibility, and changing ideologies and norms. Managers wanting to promote pro-social value propositions can embed the seventeen UN Sustainable Development Goals (e.g., good health and wellbeing, responsible production, decent work, and improved industry) throughout all five nested ecosystem levels. When managers proactively ensure value propositions, brand behavior, and societal ethical expectations are closely aligned, regulatory interference, penalties, and accusations of greenwashing are reduced enormously.

Implications

This paper set about to extend contemporary approaches to branding that recognize the importance of networks and ecosystems in the cocreation of brand meaning (e.g., Conejo and Wooliscroft, 2015). We offer novel insights into the intersection of branding, consumers, stakeholder groups, and society. Integrating social emergence (Sawyer, 2005) with the service ecosystem perspective (Vargo and Lusch, 2004; 2016) provides a holistic framework for brand
meaning cocreation processes that unfold through five different levels of nested systems: 1) *individual* and 2) *interactional* at micro-level; 3) *relational* and 4) *strategic* at meso-level; and 5) *systemic* at macro-level. Our research expands on the conceptualization by Sarasvuo *et al.* (2022) of the mutual outcomes shared by marketers and stakeholders that lead to cocreating brand meaning.

These systems feature guiding institutional arrangements that are generated by embedded actors while jointly organizing cocreation processes within. Actors embedded at each level have upward causal powers over (re)configuring the institutional arrangements at each level, while those same institutional arrangements shape and govern actor behavior and brand meaning cocreation processes. Thus, brand meaning emerges at these different levels through an interdependent, dynamic process. As reflected in Figure 1, brand identity is embedded in the complex personalities of individuals who wish to project a desired self, while brand conversations are embedded in institutional arrangements like dynamic interactions and organizational culture, and WOM within work teams, friend groups and families. Brand trust is embedded in the relational exchanges between brands and their customers, suppliers, distributors, and other close B2B partners. Within markets and industries, brand positioning unfolds in relation to others in the market, embedded in institutional arrangements that include industry standards, agreements, and alliances. Finally, a brand’s social and environmental performance is judged in relation to institutional arrangements that include social and ethical norms, expectations, and regulations.

At different levels – and between different levels – incongruence between brands’ value propositions and behavior, and the value propositions of other actors, manifests as tension and cognitive dissonance. These tensions deliver conflicted brand meaning within actor groups and risks of reputational damage and regulatory interference. To relieve such pressure, brands need to continuously align their value propositions and behaviors with those of their immediate and
peripheral stakeholders on all levels of the ecosystem. Importantly, these alignment activities can be directed through the institutional arrangements present at each level. For example, achieving alignment in goals, objectives, practices, and contracts will positively impact brand meaning cocreation processes involving workers, managers, business partners, and strategic alliance members. Such congruence enables greater managerial control of brand meaning cocreation (Swaminithan et al., 2020), leading to the emergence of more culturally significant brands (Holt, 2012) and the potential to engage in truly transformative branding (Spry et al., 2021).

Patagonia provides a coherent exemplar. Patagonia expresses a corporate-level value proposition of doing no harm (Level 5) and building the best product (Level 3). However, the brand came under pressure from an environmental group in relation to the damage caused by waterproofing treatments (Level 5). In response, the start-up textile firm, BST, accepted Patagonia’s investment offer and the two enjoyed a favorable joint working relationship based on trust and transparency (Level 3). The two firms had similar approaches to innovation, employee involvement and the importance of work teams (Level 2). In responding to the pressure applied by the environmental group, Patagonia could protect its market and brand-fan relationships (Level 4). It also continued to fulfill employee expectations of the brand, while enabling conscious consumers the opportunity to reflect their own self-identity through wearing Patagonia branded clothing (Level 1).

For practitioners

Practitioners interested in shifting their branding strategy from managing a service brand to navigating the emergence of brand meaning in service ecosystems should focus on: (1) sensing and seizing pressures in the different levels of their brand’s ecosystem, (2) relieving such pressures by reducing incongruence in value propositions and behaviors on all levels, and (3)
reinforcing congruent brand meaning creation across the brand’s service ecosystem. That is, brand managers and strategic leaders must incorporate congruence as a key strategic imperative, and branding processes must look past just customers and markets. A focus on congruence between institutionalized processes like partnerships, organizational culture, and agreements, partnered with congruence between value propositions and those of other actors, will contribute considerably to greater control of brand meaning cocreation.

For example, being responsive to evolving societal ethical expectations reduces risks associated with regulatory interference, penalties, and accusations of greenwashing. Building reciprocal, trustworthy B2B partnerships and strategic alliances requires congruence in value propositions, goals, and objectives. Both employees and customers generate positive WOM through rewarding experiences congruent with brand value propositions and, for workers, a positive organizational culture. In adopting congruence as an imperative, brand strategists will ultimately deliver more value and impact. This requires active listening to the close and more distant stakeholder network. Social listening (following and moderating social media) and listening to employees and close B2B partners are critical. However, equally important is to sense trends beyond the immediate network, industry, and market.

Reducing incongruence requires an agile structure to act swiftly and quickly when required. Brands embedded in a strong network of trusted relationships can more quickly access the necessary resources to balance out incongruences and reinforce congruent brand meaning creation. More generally, as illustrated with the Patagonia case, healthy and sustainable brands are based on a balanced approach of ensuring economic viability, while also ensuring social responsibility and environmental stewardship.
Suggestions for future research

Importantly, our framework reflects the inherently dynamic process of cocreating brand meaning through interactions between actors on different ecosystem levels. Actors are involved in ongoing processes of making and responding to their own and others’ value propositions. Hence, a multi-level systemic perspective provides an alternative way to think about strategic brand positioning. Aligned with work on branding that draws on an ecosystem perspective (Giannopoulos et al., 2020; Conejo and Wooliscroft, 2015; Tierney et al., 2016), we propose that brand positioning is not entirely a firm-centric task. Instead, it is a continuous process of negotiating value propositions and aligning behaviors and beliefs among broad sets of actors. Future research may want to explore these dynamic interplays between value propositions and behaviors on various levels of nested ecosystems in greater detail, and the role that brand managers must play in activating and enabling these interplays. Further, misalignment in value propositions and behaviors, and subsequent conflict and tensions, provide an interesting area for future research.

As emphasized by Hajdas and Kłeczek (2021) there is relatively little academic research on purpose-driven branding. Despite significant practitioner interest in brand purpose, scholarly research has lagged, resulting in a limited understanding of the concept (Alegre et al., 2017, Khalifa 2012). While previous branding literature has focused on the brand mission (Alegre et al., 2017; Campbell and Yeung, 1991; Khalifa 2012), core values (Yoganathan et al., 2018; Urde, 2016), and brand meaning (Batra 2019; Fournier and Alvarez 2019; Holt 2004), these concepts relate largely to identity and communication issues and their outcomes. The mechanisms of transforming brand meaning are less understood. This paper offers a framework to explore change and transition processes toward purpose-driven branding by implementing congruence at individual, interactional, relational, strategic, and societal levels. Swaminathan et al. (2020, p. 16) argue that brands can act as “vehicles for bringing about social
change” and call for research to understand how social change can be fueled through branding. Our framework offers guidance for future research that studies these change processes and potentially identifies constellations of internal, external, and multi-level value propositions that comprehensively shape brand meaning.

This research promotes a service ecosystems perspective of branding that explains 1) how brands generate social norms and beliefs that guide actors’ resource integration processes, and 2) how brands are shaped by these very same actors (Vargo and Lusch, 2016; Conejo and Wooliscroft, 2015). As Vink et al. (2020) highlight, the service ecosystem perspective not only provides a systemic and holistic understanding of value cocreation, it also offers important insights into how actors influence value cocreation processes by reconfiguring institutional arrangements that govern and organize them (Vargo, Wieland, and Akaka, 2015). We offer a more fine-grained explanation for how such shaping processes unfold through (in)congruence of value propositions and behaviors. Like natural ecosystems, service ecosystems exhibit emergent properties (Taillard et al., 2016) that are beyond the control of any individual actor. Our framework accounts for the nexus between the shaping and emergence of brand meaning by pointing toward the importance of continuous alignment processes. Future research could explore how such alignment processes can be facilitated. More generally, we encourage scholars to develop further strategic branding frameworks, models, and methodologies that account for systemic complexity and the quality of emergence.

Finally, following a systemic and institutional logic of branding means technologies and technological development cannot be ignored when discussing the emergence of brand meaning. Taking the proposed multi-actor perspective to the extreme entails conceptualizing technologies as actors (e.g., Storbacka et al., 2016). Hence, technologies also deliver value propositions, including digital and social media platforms, artificial intelligence, smart devices, and more. As evidenced by the growing literature on social media brand engagement (e.g.,
Dolan et al., 2019; Hollebeek, Glynn, and Brodie, 2014; Chahal, Wirtz, and Verma, 2020), such platforms significantly influence the trajectory of brand meaning on the strategic and systemic level. New service encounters with humanoid bots and advanced self-service processes influence brand meaning on the individual and interaction level. Blockchain technology lays the foundation for new decentralized brand systems to form with no central actor facilitating brand meaning development. As summarized in Table 2, numerous contemporary phenomena make for interesting future research possibilities. For instance, how does brand meaning evolve depending on the degree of decentralization of a service ecosystem; and how do digital technologies influence the alignment or misalignment of value propositions and brand meaning?
<table>
<thead>
<tr>
<th>Research themes</th>
<th>Research questions</th>
</tr>
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| **Research theme 1:** Dynamic interplay of value propositions and brand meanings | ▪ How do value propositions manifest in brand meanings and vice versa? How do brand meanings influence value propositions?  
▪ What facilitates and potentially accelerates the alignment process of value propositions and shared brand meaning creation?  
▪ How can misalignment and alignment processes be balanced to allow for change and stability in brand meaning?  
▪ How can evolving incongruent value propositions be traced and used as triggers for change?  
▪ How can evolving incongruent value propositions be traced and used as triggers for change? |
| **Research theme 2:** Value proposition constellations that shape brand meaning with social purpose and environmental sustainability | ▪ How can social change be fueled through branding?  
▪ How can constellations or patterns of value propositions be identified on various system levels that strengthen/weaken brand meaning with a social purpose?  
▪ What are complementing, reinforcing and/or conflicting value propositions for shaping meaningful brands with a social purpose?  
▪ How can conflicts be solved between the goals and objectives of various value proposition-adopting actors? |
| **Research theme 3:** The nexus between shaping and emergence of brand meaning    | ▪ How can branding theory and strategic branding frameworks be further advanced to account for emergence?  
▪ How can focal actors (e.g., firms) create branding processes that account for/encourage/recognize emergence?  
▪ How can branding strategies be created that deliver congruence of value propositions between actors at different systemic levels?  
▪ What methodologies are best suited to explore the emergence of brand meaning from a systemic perspective?  
▪ How do the value propositions of technologies unfold?  
▪ How can branding theory and strategic branding frameworks be further advanced to account for technology as actors?  
▪ How do digital technologies influence the (in)congruence of value propositions and subsequent brand meaning?  
▪ How does brand meaning evolve depending on the degree of decentralization of a service ecosystem? |
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<table>
<thead>
<tr>
<th>Level</th>
<th>Aggregation of cocreative actors</th>
<th>Emergent brand meaning</th>
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<tbody>
<tr>
<td>5) Macro:</td>
<td></td>
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<tr>
<td>Systemic</td>
<td>Society, government, broader public, media, NGOs</td>
<td>Brand social &amp; environmental performance embedded in institutional arrangements like socio-cultural norms, ideologies &amp; ethical expectations; government policies &amp; laws</td>
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<tr>
<td>4) Upper-meso:</td>
<td>Industries, industry organizations &amp; industry commentators; investors; strategic alliances; markets</td>
<td></td>
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<tr>
<td>Strategic</td>
<td></td>
<td>Brand strategic positioning embedded in institutional arrangements like industry norms, standards &amp; regulations; alliances, partnerships &amp; union agreements; market representations</td>
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<tr>
<td>3) Lower-meso:</td>
<td>Organizations (as “brand owners”), supply &amp; distribution partners, customers &amp; brand communities</td>
<td>Brand trust embedded in institutional arrangements like formal &amp; informal assurances, employment &amp; supplier agreements; consumer laws &amp; warranties; internal-external stakeholder touchpoints</td>
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<tr>
<td>Relational</td>
<td></td>
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<td>2) Upper-micro:</td>
<td>Work teams within organizations; families &amp; friend groups</td>
<td>Brand conversation embedded in institutional arrangements like organizational culture, dynamic interpersonal interactions</td>
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<tr>
<td>Interaction</td>
<td></td>
<td></td>
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<tr>
<td>1) Lower-micro:</td>
<td>Self (e.g., worker, manager, customer)</td>
<td>Brand identity guided by higher-level institutional arrangements that shape complex personalities with wants &amp; needs, cognition &amp; emotion, hedonic values &amp; preferences</td>
</tr>
<tr>
<td>Individual</td>
<td></td>
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