5

Alliance Brands: Building Corporate Brands through Strategic Alliances?

Hong-Wei He and John M.T. Balmer

Introduction

The last two decades have witnessed most major airlines entering into alliances with other carriers. In part, this strategy is seen as an alternative to a formal merger or acquisition. This is because a formal merger or acquisition can be fraught with difficulties. There can be problems relating to national pride[1] and in terms of regulatory restraint. These obstacles, more often than not, are insurmountable. This helps to explain why airline alliances have become prevalent: they are an attractive substitute to a formal merger and acquisition.

The principal beneficiaries of such alliances are the airlines themselves. Alliances offer advantages in terms of economies of scale, access to landing slots and a doorway to foreign markets.[2] Their existence allows airlines to pool personnel, aircraft, technologies and the development of route networks, including global freight services. Other attractions include the reduced costs relating to the servicing of aircraft. Airlines also acquire greater leverage in terms of alliances, securing advantageous terms with regard to the purchase of aircraft and fuel.[3] From the above, it would appear that in terms of competitive advantage, airline alliances rather than airlines on their own are becoming important discriminators and strategic assets. In terms of customer benefits, airline alliances habitually claim to offer passengers

---

Reprinted from Hong-Wei He and John M.T. Balmer (2006) "Alliance Brands: Building Corporate Brands through Strategic Alliances?" *Journal of Brand Management*, Vol. 13 (pp. 242–256). With kind permission from Palgrave Macmillan.

J. M. T. Balmer et al. (Eds.), *Advances in Corporate Branding*

benefits in terms of seamless travel and service support and increased opportunities for accruing air miles underpinned by a shared marketing effort.[4]

Part of the new weaponry of alliances has been according alliances the status of brands. Within the airline sector, airline alliances have become a very attractive strategic option for the reasons cited above. Moreover, the downfall in air travel after the September 11 catastrophe, the deregulation of many markets in Asia, Europe and North America and the rapid rise of low-cost carriers have resulted in airline alliances being seen as a necessity for most well-established airlines. The largest airline alliances are as follows: oneworld, Star, SkyTeam, Wings and Qualiflier. The emergence of such branded alliances (alliance brands) poses significant challenges and opportunities for scholars in exploring the newly emerged concept of corporate brand and corporate-level marketing.[5,6]

The introduction of the embryonic branding category of an alliance corporate brand represents unchartered territory in the field of brand management. This is because most attention to date has focused on product and service brands, whereas little attention has been accorded to corporate brands, let alone alliance brands. Yet the importance and profile of alliance brands within the airline industry is a crucially important development. Moreover, the importance of alliance brands, as articulated above, would indicate that branding at the corporate level has more in common with strategic planning than with marketing planning. As such, it would appear that a good deal of the extant literature on brands and brand management is only partially useful when applied to corporate-level branding; no more so is this the case than with alliance brands.

What is apparent is that alliance brands and corporate brands specifically represent one of the most fascinating phenomena of the business environment in the 21st century. They appear to be adored, venerated and coveted by both customers and organisations.

This paper begins with an overview of the nascent literature on corporate brands. This is followed by an outline of the study and an examination of the principal findings. Finally, the implications that flow from the study are examined.

Alliance brands in the context of corporate brands

Before reviewing the concept of corporate brands, the paper first presents a cursory review of brand management. Brand research has been prolific for decades with the works of Aaker,[7] de Chernatony,[8] Kapferer[9] and Keller[10,11] being of particular note. It has become more salient and robust recently for many reasons. Only a few examples are provided here. First, brands, especially global brands, have been targets of anti-globalisation and anti-capitalist criticism. Thus brand champions/advocators have attempted to address such spreading sceptical attitudes by reiterating the economic, social and political values of brands. Secondly, the concept of brand has been applied to a much broader boundary, which includes place brand, political brand, national brand, service brand, corporate brand, non-profit brand, etc. Thirdly, there has been the remarkable progress of quantitatively measuring the value of brands, which in turn has spawned the dramatic proliferation of positivist empirical research on brand management, eg brand equity, brand image, etc. Finally, and probably most importantly, new branding techniques have emerged, such as brand extension, co-branding, brand alliances and, most recently, alliance branding. Of these, alliance branding is the least researched area. On the other hand, alliance branding can be examined in the context of corporate branding and corporate-level marketing, given the fact that alliance brands have closer linkage with corporate brands than product or service brands. Moreover, alliance brands also can be examined in the context of brand alliances, given that alliance brands are primarily based on alliances among different brands, but go beyond brand alliances by being accorded brands for the alliances. Alliance branding is becoming popular in service sectors. One example is the alliance brands in the airline industry, such as oneworld and Star etc. Another example is loyalty cards, eg Nectar and Air Miles.

Corporate brands

Corporate branding is currently generating considerable excitement from management scholars, as recent special editions on corporate brands illustrate.[12,13] Moreover, account is being taken of the protestations made by King,[14] Balmer[15] and more recently by Kapferer[16] for scholars and managers to face up to the changes presented by what are now called corporate brands but were at one time simply known as 'company brands'. Curiously, corporate brands represented a missing dynamic in management thought and practice until quite recently. Corporate brands are applicable not only to corporations and subsidiaries, but to other organisations and entities, including countries, cities and regions.

They are also applicable to certain types of alliances such as those that inhabit the airline sector.

This review of the literature suggests that the following issues relating to corporate brands are of particular interest to both academicians and practitioners: character, benefits, relationships, management, brand architecture and explanations for their increased salience.

Character

At the core of the corporate brand/corporate brand management is an explicit covenant between an organisation and its key stakeholder groups, including customers.[17] The notion of the covenant does of course carry religious overtones and this can be seen to be indicative of the power of brands. Indeed, Kapferer[18] notes that strong brands can be compared with religions. In the literature this covenant is more usually referred to in terms of 'a promise' which does not capture the emotional and transcendent nature of brands – a relationship that is enduring, and immutable. In contrast, notions of 'promise' appear to be transitory in nature, even though this is widely referred to within the literature.[19–21]

Typically, the corporate brand covenant is defined by an organisation's senior management often in terms of a clearly articulated corporate-branding proposition. It is promoted through multiple channels of communication and is experienced through the organisation's products and services and, most importantly, through staff behaviour.

Benefits

Scholars and others note that multiple benefits are associated with corporate brands. Research undertaken by MORI (the British opinion research consultancy) among senior managers found that a corporate brand had a perceived value in terms of increased profile, customer attractiveness, product support, visual recognition, investor confidence, as well as encapsulating organisational values and providing employee motivation.[22] Others have made similar observations.[23,24] It has been found also that branded companies have an edge in finding venture partners.[25] Corporate brands often accrue real financial value, for example, the $12.6bn buyout of Kraft by Philip Morris (six times its book value) being directly attributed to the goodwill associated with its corporate brand.[26] It has also been estimated that 59 per cent of Coca–Cola's, 61 per cent of Disney's, and 64 per cent of McDonald's capitalisation is attributable directly to the value associated with the corporate brand.[27]

Relationships

A corporate brand may be viewed as an *informal contract*, in that the company needs to articulate its accord with its key stakeholders by demonstrating, unceasingly and over time, that it has kept true to its corporate branding pledge. As such, the brand name and/or logo play an important part in creating awareness and recognition, and also as 'signs' of assurance. However, a number of authorities have cautioned against seeing branding as a one-way process that affects the image of those engaged in some form of branding partnership, such as customers and employees. This is because these groups also have a key role in defining a brand's image.[28] Such groups are, in effect, corporate brand communities, and it is their loyalty to a particular brand that helps to explain the real value of corporate brands. Whereas legal ownership of a corporate brand resides with one or more entities, emotional ownership of a corporate brand is to be found within a corporate brand community.

Management

Within the literature, there is a growing consensus that corporate brand management is markedly different from traditional brand management, in that it is far more complicated, has a strategic imperative (the brand manager being none other than the CEO) and is multidisciplinary in scope.[29–32] There is wide consensus that personnel are important in corporate brand building and maintenance. Research undertaken by Einwiller and Will[33] found that not only senior but also middle management commitment is a prerequisite for successful corporate branding; a perspective supported by Van Riel and van Bruggen.[34] It has also been argued that a corporate brand should be championed by organisational members.[35] In addition, coherence and consistency are presumed necessary for corporate branding.[36–39]

Brand architecture

The recent literature relating to corporate brands has revealed the complex set of relationships that characterise corporate brands or what is sometimes referred to as 'corporate brand architecture'. Complexity reveals itself in the myriad of relationships in terms of ownership and use of the corporate brand; the latter giving rise to an increased interest in questions relating to corporate brand architecture.[40–42] Brand architecture also refers to the relationships among and between corporations and subsidiaries, but it can also boundary-span organisations and industries. In addition to the traditional tripartite conceptualisation of brand architecture in terms of the sole use of the corporate brand name (monolithic), the endorsement by individual product brands with the corporate brand name (endorsed), and standalone product or subsidiary brand names without reference to the corporate brand name (branded) as identified by Olins,[43] Balmer and Greyser[44] identified six, additional types. These are: *familial* (where two organisations in the same industry sector share the same corporate brand such as Hilton); *shared* (where two or more organisations share the same brand but operate in different sectors such as Rolls Royce cars/aero engines companies); *surrogate* (where the corporate brand is licensed through franchise arrangements as with McDonald's and the Body Shop); *supra* (a corporate brand as pertaining to entities such as the United Nations, the Commonwealth or to a business alliance); *multiplex* (a corporate brand used in multifarious sectors and where there can be shared ownership, as with the case of Virgin, eg Virgin Atlantic, Virgin Megastore, Virgin Financial Services); and *federal* (a distinct business entity and corporate brand that is underpinned by a federal business arrangement as with Airbus, eg EADS and BAE systems).

Explanations for increased salience

The increased salience of corporate brands is also attributable to factors within the business environment. There are at least five environmental forces underlying the growing importance of corporate branding: the growing importance of capital markets; shortage of high-calibre personnel; creating synergy between brands; as a means of nurturing consistency throughout multinational corporations; and as a response to growing demands for transparency.

Alliance brands: the case of oneworld

This paper has previously argued that alliance brands can be examined and understood by placing them in the context of the existing framework of corporate branding. As such, alliance brands have the potential to enrich an understanding of corporate brand issues, such as benefits, architecture, management and salience. This section will present a case study of one major and highly visible alliance brand within the airline sector: oneworld.

Methods

As the above overview of the corporate branding literature illustrates, the literature on the field is developing apace. However, corporate brand management and formation is still an emerging field of inquiry. Moreover, there has been a dearth of empirical work. In relation to alliance brands there has been a lack of both empirical and theoretical contributions within the literature.

The lack of empirical work on the phenomenon of airline alliance brands was instrumental in the decision to utilise the case study method. Both Yin[45] and Eisenhardt[46] have argued that the case study method is appropriate for explorative research into a previously unexplored occurrence.

Multiple methods of data collection were used for this study, with the authors drawing on a substantial amount of secondary data from within the public domain. In addition, primary data were also obtained through contact with a variety of senior managers within the alliance (both the alliance company and within individual airlines). The data were analysed using the principles of content analysis.

The findings generated from the case study are not meant to be generalisable, but to be explorative and explanatory. oneworld, as a case study, meets Yin's[47] criterion of a unique/rare case for exploration of a new type of brand architecture. However, the findings from case studies are transferable and modifiable[48] to similar contexts. For example, the findings might be transferable and modifiable to other airline alliances and/or alliances in other sectors or cross-sectors. The oneworld airline alliance was selected as it is one of the most successful alliances, and one of the founding airlines of the alliance (British Airways) is based in the UK, as are the researchers. The alliance was formed in September 1998 by British Airways and American Airlines. Canadian Airlines, Cathay Pacific Airways and Qantas joined shortly afterwards. At the launch of the alliance the Chief Executive of American Airlines gave the following rationale for its formation:

> 'We started this alliance effort by recognising it's all about people. We want to enhance the travel experience for our customers, improve the competitive position of our respective airlines and thus provide opportunities for our employees, as well as create value for our shareholders by building the world's premier airline network. We're prepared to set the standard for the industry by being the best and we think we have all the tools to make that happen.' [quoted at Weblink: http://www.oneworld.com/pressroom/releases/details.cfm?ObjectID=1550 (27/March/2006)]

The alliance is underpinned by the oneworld management company having its base in Vancouver (Canada). The company is governed by a board that comprises the CEOs of eight member airlines. The oneworld company generates income by charging a small percentage of its fees. However, ownership of the oneworld brand resides with the airlines rather than with the management company. The size of equity in the brand mirrors the relative size of each airline.

Issue 1: oneworld branding

The current brand-building activities of oneworld focus on vision, brand promise and delivery, corporate visual identity, corporate advertising and sponsorship. In essence, a somewhat simplistic and narrowly conceived conceptualisation of corporate brand management has characterised oneworld's brand-building activities.

Vision, brand promise and delivery

The creation of a distinct identity and a clear statement of vision were key elements in the brand-building activities for the alliance (see Table 5.1). Two key stakeholder groups were identified as being of importance for the brand, namely, customers and member airlines. This strategy appears to have certain logic. oneworld's brand promise appears to be encapsulated in the brand's strapline: 'oneworld revolves around you'. This core message appeared to be a key component of the airline's communications strategy. The rationale for the brand was explained as follows in the media:

> 'The oneworld brand is about bringing people together: The name oneworld and the oneworld logo represent togetherness and unity. They reflect who we are and what we are doing – airlines working together to bring the peoples of the world closer together.' [quoted at weblink: http://www.oneworld.com/pressroom/releases/details.cfm?ObjectID=1548 (27/March/2006)]

Table 5.1 Oneworld's vision

Making global travel smoother, easier, better value and more rewarding.
Offering travel solutions beyond the reach of any airline's individual network.
Providing a common commitment to high standards of quality, service and safety.
Creating a world where customers always feel at home, wherever their journey may take them.
Delivering its airlines with savings and benefits greater than any can generate by itself.

The alliance has recognised how critical it is to achieve congruency so that service delivery, communications and reputations support and reflect the brand promise encapsulated around the oneworld theme and logo. For instance, the creation of a global network of flight travel is an indispensable element. Finnair, for example, is seen to contribute to the oneworld brand vision in terms of its Nordic coverage and good reputation.

As one manager remarked:

> 'Gradually the member airlines are committed to certain common principles which will ensure consistency in these aspects mentioned above. Also the chosen airlines (oneworld members) have committed to common product delivery requirements and without fulfilling those you cannot be a member. The selection process of new carriers covers various aspects regarding quality, service, brand etc.'

The alliance has also recognised, and accommodated, diversity and the particular strengths of individual airlines in that each member airline has its own vision in relation to the alliance. For example, Finnair's oneworld vision is, 'Value Creation and Competitive Advantage by being the Champion of oneworld's Nordic Dimension'.

Corporate visual identity

The creation of a distinctive visual identity is a prerequisite for most brands and the alliance has invested a good deal of time in its development. Although simple in design, the logo was designed to be easy to spot in crowded airports, and was seen to have an important role in terms of worldwide support for oneworld customers. In crafting the logo, the designers took care that the logo could function as a standalone marque or be used alongside the logos of the partner airlines. They also wished the logo to reflect a key tenet of the brand's positioning in terms of simplified travel. As a senior member of oneworld's management company commented:

> 'As far as the logo is concerned, it must reflect the logos of the five founder airlines, something that is appealing around the world. And a lot of research has been carried out. Something that reflects the spirit of oneworld. We want to make the travel simple, so the logo is pretty simple and works well with each of the airline's logos.'

Corporate advertising

Considerable effort has gone into creating awareness and a distinct positioning platform for the brand in terms of customer benefits, membership of the alliance and awareness of the brand name and logo. Substantial sums have underpinned such strategies, with $35m having been dedicated to the integrated global marketing communications campaign of 2000. The alliance's 1999 advertising won the 'Best International Campaign' award from the leading advertising industry magazine *Media Week*.

Sponsorship

The oneworld message has also served as a guide to the sponsorship activities engaged in by the alliance brand. The most notable of these is its collaboration with UNICEF, begun in 1999, which has the objective of raising funds of US$25m in a five-year period. There is an obvious synergy in terms of global reach between the United Nations and the oneworld alliance.

The above branding activities suggest that oneworld, backed by a oneworld management company, is managed as a corporate brand in its own right by a range of conventional corporate-level marketing tools, eg corporate identity, corporate advertising and corporate sponsorship. However, oneworld's position as a brand is more complex than might at first be appreciated due to the fact that the oneworld alliance brand is inextricably linked with the corporate brands of its member airlines, not only institutionally but also from the perspectives of both customers and employees.

Issue 2: oneworld brand status

From the data collected and in the context of extant definitions of brands/corporate brands the authors are ambivalent regarding the status of the oneworld alliance as a corporate brand. Taking the most rudimentary definition of a brand in terms of a mark of ownership, identification and differentiation, then oneworld is incontrovertibly a brand, especially a corporate brand. The oneworld marque is distinct, enjoys high visibility, and appears to have high awareness. However, this represents branding *at its most elementary*. It is clear that oneworld meets the criteria of an image-building device as noted by Galbraith,[49] in that the notion of an international alliance (and of a closer world in travel terms) clearly underpins the brand name and logo (a roundel signifying the world) with the 'one' depicted in a bold logotype. In terms of being a symbol that represents brand values,[50] a means by which individual identities are constructed[51] and a conduit by which pleasurable experiences may be consumed[52] the oneworld brand remains a relative adolescent.

One explanation for oneworld's relatively underdeveloped status as a corporate brand is that it has not achieved full maturity. This may be an important insight, as the next stage of the corporate brand's development ought to entail the imbuing of the brand with clear values: values that are of benefit to individuals and values that have a value in the creation of individual identities, associated with pleasurable experiences.

The case study provided further insights. Although it has been argued that airline alliances have the elements of being suprabrands that endorse individual airline brands, the research revealed that respondents viewed the alliance brand as a sub-brand, which is endorsed by airline brands. This is because the alliance does not provide the services itself and because corporate brand communication is still very much focused around the brand positioning of individual airlines. One senior manager of the oneworld alliance voiced that 'oneworld has been a sub-brand of all the individual brands. For example, the oneworld sign is always adjacent to carrier logos except advertising for oneworld.'

Figure 5.1 illustrates the current status of the oneworld brand in relation to the airline brands within the alliance. It reflects the finding that the corporate brands of individual airlines are stronger than the alliance brand. Moreover, in terms of relationships between airline brands and the alliance brand, these were found to be mutually endorsing, although not as strongly as for endorsed brands. As such, this challenges the vertical branding architectural structures developed by Olins[53] and Balmer and Greyser,[54] but suggests that horizontal relationships might require more attention than has hitherto been the case.

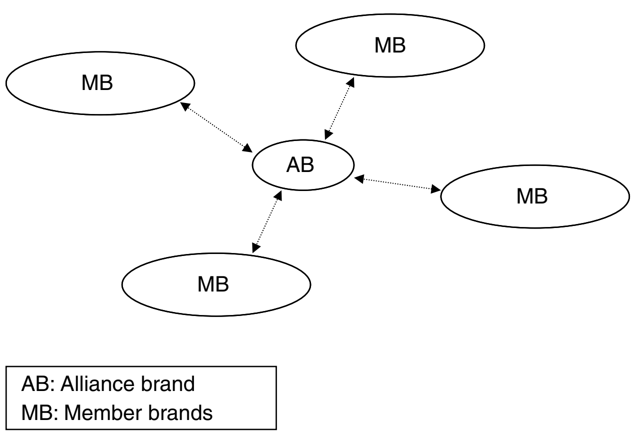

Figure 5.1 The current status of the oneworld brand

Discussion

As a relatively unexplored field of inquiry, the alliance brand presents opportunities as well as challenges for corporate brand management. Two research questions were proposed for this study. What are alliance brands? And what are the implications of alliance brands for corporate brand management? This preliminary study offers some tentative answers to these two questions. It was found that whereas a great deal of emphasis had been accorded to recognition, awareness and promotion of the alliance as a corporate brand, comparatively little had been done with regard to the development of distinctiveness in terms of brand values. This is a core tenet of branding. As such, it appears that a narrow conceptualisation of branding has informed those having responsibility for the brand; consequently, the oneworld brand is in an adolescent stage of development. It is difficult to conceive the oneworld brand as having very much in the way of brand equity.

However, some evidence was found to show that both the alliance brand and individual airline brands benefited to some degree from mutual endorsement. Looking at the long term, it also seems apparent that if the widely predicted consolidation in the airline sector materialises, then an alliance brand such as oneworld has the potential to provide the brand foundation for the establishment of a large international airline that will emerge as a result. In this sense, airline alliance brands might have a more considerable strategic role than has hitherto been realised.

This study revealed that alliance brands are more complicated than was originally thought, and offer challenges in terms of management (the management of the alliance brand in the context of the strong corporate brands of its members). Although this paper is concerned with airline alliances, it is believed that this represents an important study in terms of alliances as brands.

As an explanatory study, this work is not without its limitations in terms of focus on one airline alliance. (The Star Alliance, for example, appears to enjoy greater distance from its member airlines and as such different insights from the oneworld study are likely to be revealed as a result.) Moreover, branded airline alliances are relatively recent phenomena and are still in their early stages of formation and as such there is a temporal limitation.

In contrast to these limitations this appears to be one of the first studies examining airline alliances as corporate brands. To date, the nature and management of alliance brands has received little attention. In part, this is understandable, as corporate branding studies are

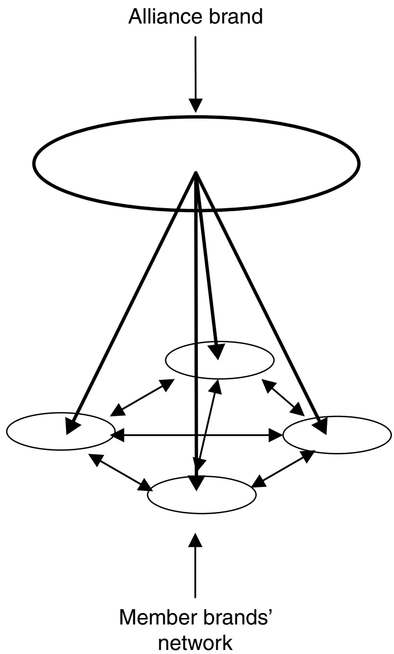

Figure 5.2 The hypothetical status of a strong oneworld brand in the future

a nascent area of management scholarship. In terms of future research, longitudinal studies of individual alliances such as oneworld and the sector in its entirety are likely to be revelatory, especially with regard to the shifting relationships within the alliance. Over time, the relationships as depicted in Figure 5.2 might possibly come to fruition, with the alliance brand being the dominant brand and having an important role in endorsing individual airlines. For this to happen, however, the alliance brand needs to grow in maturity and to acquire values that are not only flexible enough to endorse the plethora of airline brands, but which have a value that offers real benefit to customers and airlines alike.

Further issues

The most significant contribution of this paper probably lies in the various research questions and managerial challenges it raises.

Research issues

From the research point of view, this study suggests various research questions that need to be addressed. First, comparative case studies should be undertaken to examine longitudinally the evaluation of alliance brands, such as oneworld, Star, Nectar, AirMiles etc. Such in-depth case studies can offer a more comprehensive understanding of the current practices of alliance branding, how it is different from conventional branding, and what benefits it can offer to corporate branding.

Secondly, studies relating to the measurement of alliance brands are badly needed. Brand equity measures have been used widely for valuing product brands. However, due to the huge differences between product brands and alliance brands, can the measures (especially the dimensions of the construct) of brand equity be applied to alliance brands? This is both a theoretical and an empirical question. Theoretically, it is suggested that alliance brand equity is different from product brand equity, as quality and price are probably the most fundamental dimensions of product brands. For alliance brands, however, this is not the case. Even if both brand equity measures are similar, the weights of various dimensions might be different. Empirically, inductive and theory-building research is desirable to identify the possible dimensions of alliance brand equity. This study can be followed by quantitative surveys to verify and refine the alliance brand equity measures. By such means, the similarities and differences between product brand equity and alliance brand equity can be explicated empirically. Such a process can also be applied to alliance brand image measures.

Thirdly, establishing and verifying measures for alliance brand equity and image is only the first step to understanding more profound issues, such as the added value of alliance brands for corporate brands, the interplay between alliance brands and corporate brands, and the interplays between alliance partners' corporate brands. As the creation of alliance brands poses a new cognitive, affective and conative object for customers who probably already have cognitive, affective and conative attachments to corporate brands, it is extremely important to examine how these different but inextricably linked brands interplay in the minds of customers (and/or other stakeholders). For example, will alliance brands reinforce or dilute corporate brands, and vice versa? Will different alliance partners' brands reinforce or dilute each other due to the fact that they are bound together by not only a strategic alliance, but also an alliance brand? Empirical consumer brand research into this could follow a combination of employing both fictitious alliance brands and real alliance brands as external stimuli to trigger subjects' response to alliance brands (and/or corporate brands) in terms of brand equity or brand image. Such research design could be replicated to other stakeholders, especially organisational employees, as the corporate brand influences not only customers, but also organisational employees in terms of their psychological attachment to the organisation, such as organisational identification.[55,56]

Managerial issues

From the managerial perspective, there are significant issues for brand management. These issues are based on the assumption that companies have already made the decision to form a brand alliance.

For example, with whom do firms form brand alliances? Decision on this issue should be guided by both functional and operational considerations, but also brand perception/positioning considerations. In the case of oneworld, flight geographic coverage (from a global strategy perspective) was the driving force to form the brand alliance, while the selected partners also strictly considered their corporate brand image.

Whether to brand the alliance? Most brand alliances do not have a brand name for themselves. To brand an alliance is a long-term strategic issue, because once the new alliance brand is established, it requires long-term commitment from all alliance partners to build and maintain the alliance brand. Moreover, the new alliance brand can have strong interplay (positively or negatively) with the existing corporate brands.

Alliance brand management is a new challenge for brand managers. The following questions are also exceptionally important for alliance branding.

- How to build up the alliance brands and how far an alliance brand should be built?
- How many brand alliances (or alliance brands) to participate or establish?
- Is conventional (corporate) brand management applicable to alliance brands?
- What are the extra considerations for alliance brand management?
- How to manage consistency (or diversity, whichever is applicable) among the different corporate brands and alliance brands?
- How to manage different stakeholders from the perspective of brand equity and image?
- How to manage reputation risk of the alliance brands?
- How to repair the relationship rift, if there is any, between different corporate brands and alliance brands?

Conclusion

This paper investigated the relatively recent international phenomenon of airline alliances from a corporate branding perspective. Although this is a preliminary inquiry, it appears to be one of the first of its kind and, as such, it is believed to be of greater significance than might otherwise appear to be the case.

The study suggests that branded airline alliances are different from traditional airline alliances in that alliance brands have the potential to assist individual airline brands by drawing on the positive associations/ brand values associated with the corporate brand. The branding of an alliance involves a plethora of traditional corporate brand activities, such as vision, brand promise, brand values and the establishment of a strong visual identity. It was also found that the oneworld brand is currently viewed as a sub-brand by the airlines themselves. However, the paper argues that the oneworld brand might eventually become a suprabrand and, as such, have an important role with regard to the endorsement of individual airlines. This could only happen when the oneworld brand is underpinned by distinctive values and is characterised by a distinctive brand promise/corporate brand covenant.

It also became apparent that alliance brands present managerial and organisational challenges. As an interorganisational phenomenon, this branding category transcends the organisational boundaries that traditionally characterise corporate brands. As such, achieving consistency in customer experience, reputation, recruitment and training, and accommodating cross-cultural issues represent major challenges. Moreover, the insights from the initial study appear to support the extant view that corporate brand management needs to adopt a multidisciplinary perspective. This is because corporate brands, and particularly alliance brands, are increasingly being viewed not only as a marketing but, moreover, as a strategic tool. Finally, the preliminary findings reported here have led to the identification of various research and managerial issues that need to be addressed. This study advocates that more attention should be directed to the new brand management phenomenon that is the alliance brand.

References

1. Gudmundsson, S. V. (1999) 'Airlines alliances: Consumer and policy issues', *European Business Journal,* Vol. 11, No. 3, pp. 139–145.
2. Park, J. H. and Zhang, A. (2000) 'An empirical analysis of global airline alliances: Cases in North Atlantic markets', *Review of Industrial Organization,* Vol. 16, No. 4, pp. 367–384.

3. Kraats, S. A. V. (2000) 'Gaining a competitive edge through airline alliances', *Competitiveness Review,* Vol. 10, No. 2, pp. 56–64.
4. Coltman, D. (1999) 'International airline alliances', *Consumer Policy Review,* Vol. 9, No. 3, pp. 111.
5. Balmer, J. M. T. (1998) 'Corporate identity and the advent of corporate marketing', *Journal of Marketing Management,* Vol. 14, No. 8, pp. 963–996.
6. Balmer, J. M. T. and Greyser, S. A. (2003) 'Revealing the Corporation: Perspectives on Identity, Image, Reputation, Corporate Branding, and Corporate-Level Marketing', Routledge, London, UK.
7. Aaker, D. (1991) 'Managing Brand Equity: Capitalizing on the Value of a Brand Name', Free Press, New York, NY.
8. de Chernatony, L. (2001) 'From Brand Vision to Brand Evaluation: Strategically Building and Sustaining Brands', Butterworth-Heinemann, Oxford, UK.
9. Kapferer, J. N. (1997) 'Strategic Brand Management', Kogan Page, London, UK.
10. Keller, K. L. (1993) 'Conceptualizing, measuring, and managing customer-based brand equity', *Journal of Marketing,* Vol. 57, No. 1, pp. 1–21.
11. Keller, K. L. (2003) 'Strategic Brand Management: Building, Measuring, and Managing Brand Equity', Prentice Hall, Upper Saddle River, NJ.
12. de Chernatony, L. D. and Schultz, M. (eds) (2002) Special Edition on Corporate Branding, *Corporate Reputation Review,* Vol. 5.
13. Balmer, J. M. T. (ed.) (2003) Special Edition on Corporate and Service Brands, *European Journal of Marketing,* Vol. 35, No. 3/4.
14. King, S. (1991) 'Branding in the 1990s', *Journal of Marketing Management,* Vol. 7, pp. No. 1, 3–13.
15. Balmer, J. M. T. (1995) 'Corporate branding and connoisseurship', *Journal of General Management,* Vol. 21, No. 1, pp. 24–46.
16. Kapferer, J. N. (2002) 'Corporate brand and organizational identity', in Moingeon, B. and Soenen, G. (eds) 'Corporate and Organizational Identities', Routledge, London, UK, pp. 175–194.
17. Balmer, J. M. T. (2001) 'Corporate identity, corporate branding and corporate marketing — Seeing through the fog', *European Journal of Marketing,* Vol. 35, No. 3/4, pp. 248–291.
18. Kapferer, ref. 16 above.
19. Johansson, J. K. and Hirano, M. (1999) 'Brand reality: The Japanese perspective', *Journal of Marketing Management,* Vol. 15, No. 1/3, pp. 93–105.
20. Mitchell, A. (1999) 'Out of the shadows', *Journal of Marketing Management,* Vol. 15, No. 1/3, pp. 25–42.
21. Tilley, C. (1999) 'Built in branding: How to engineer a leadership brand', *Journal of Marketing Management,* Vol. 15, No. 1/3, pp. 181–191.
22. Lewis, S. (2000) 'Let's get this in perspective', unpublished conference paper presented at the *Confederation of British Industry Branding and Brand Identity Seminar,* Bradford School of Management, 24th February.
23. Balmer and Greyser, ref. 6 above.
24. van Riel, C. B. M. and van Bruggen, G. H. (2002) 'Incorporating business unit managers' perspectives in corporate-branding strategy decision making', *Corporate Reputation Review,* Vol. 5, No. 2/3, pp. 241–252.
25. Barney, J. A. and Hansen, M. H. (1994) 'Trustworthiness as a source of competitive advantage', *Strategic Management Journal,* Vol. 15, No. 5, pp. 175–190.

26. Newman, K. (2001) 'The sorcerer's apprentice? Alchemy, seduction and confusion in modern marketing', *International Journal of Advertising,* Vol. 20, No. 4, pp. 409–429.
27. Barwise, P., Dunham, A. and Ritson, M. (2000) 'Ties that bind: Brands, consumers and businesses', In Pavitt, J. (ed.) 'Brand New', V&A Publications, London, UK, pp. 71–108.
28. Johansson and Hirano, ref. 19 above.
29. King, ref. 14 above.
30. Balmer, ref. 15 above.
31. Hatch, M. J. and Schultz, M. (2001) 'Are the strategic stars aligned for your corporate brand?', *Harvard Business Review,* Vol. 79, No. 2, pp. 128–134.
32. Hatch, M. J. and Schultz, M. (2003) 'Bringing the corporation into corporate branding', *European Journal of Marketing,* Vol. 37, No. 7/8, pp. 1041–1064.
33. Einwiller, S. and Will, M. (2002) 'Towards an integrated approach to corporate branding — an empirical study', *Corporate Communications,* Vol. 7, No. 2, pp. 100–109.
34. van Riel and van Bruggen, ref. 24 above.
35. Balmer, ref. 17 above.
36. van Riel, C. B. (1995) 'Principles of Corporate Communication', Prentice Hall, Hemel Hempstead, UK.
37. Morsing, M. and Kristensen, J. (2001) 'The question of coherency in corporate branding — over time and across stakeholders', *Journal of Communication Management,* Vol. 6, No. 1, pp. 24–40.
38. Balmer, J. M. T. and Greyser, S. A. (2002) 'Managing the multiple identities of the corporation', *California Management Review,* Vol. 44, No. 3, pp. 72–86.
39. Aaker, D. and Joachimsthalaer, E. A. (2000) 'The brand relationship spectrum: The key to the brand architecture challenge', *California Management Review,* Vol. 42, No. 4, pp. 8–23.
40. Kapferer, ref. 9 above.
41. Aaker and Joachimsthalaer, ref. 39 above.
42. LeForet, S. and Saunders, J. (1994) 'Managing brand portfolios: How the leaders do it', *Journal of Advertising Research,* Vol. 34, September–October, pp. 64–76.
43. Olins, W. (1978) 'The corporate personality: An inquiry into the nature of corporate identity', Design Council, London, UK.
44. Balmer and Greyser, ref. 6 above.
45. Yin, R. K. (1994) 'Case Study Research: Design and Methods', Sage, Thousand Oaks, CA.
46. Eisenhardt, K. M. (1989) 'Building theories from case study research', *Academy of Management Review,* Vol. 14, No. 4, pp. 532–550.
47. Yin, ref. 45, above.
48. Glaser, B. (1992) 'Basics of Grounded Theory Analysis: Emergence v Forcing', Sociology Press, Mill Valley, CA.
49. Galbraith, J. K. (1986) 'The Anatomy of Power', Hamish Hamilton, London, UK.
50. de Chernatony, L. D. (1999) 'Brand management through narrowing the gap between brand identity and brand reputation', *Journal of Marketing Management,* Vol. 15, No. 3, pp. 118–128.

51. Elliot, R. and Wattanasuwan, K. (1998) 'Brands as symbolic resources for the construction of identity', *International Journal of Advertising,* Vol. 17, No. 2, pp. 131–144.
52. Schmitt, B. (1999) 'Experimental marketing', *Journal of Marketing Management,* Vol. 15, No. 1–3, pp. 53–67.
53. Olins, ref. 43 above.
54. Balmer and Greyser, ref. 6 above.
55. Ashforth, B. E. and Mael, F. A. (1989) 'Social identity theory and the organization', *Academy of Management Review,* Vol. 14, No. 1, pp. 20–39.
56. Dutton, J. E., Dukerich, J. M. and Harquail, C. V (1994) 'Organizational images and member identification', *Administrative Science Quarterly,* Vol. 39, No. 2, pp. 239–263.