Objectives: The literature on brand-led new business ventures is extremely scant (Merrilees, 2007). Typically entrepreneurs have a product or service concept that drives their enterprise development initiative. Corporate branding follows business establishment rather than leads it. This paper tells the story of an enterprise development that radically deviates from this conventional approach. It profiles a thriving New Zealand business that had its genesis in a corporate brand concept. The paper’s objective is to present this company’s unique corporate brand development approach and show how it provides a template for SME startup that could contribute greatly to their chances of long-term success.

Prior Work: The concept of brand-led startup is largely absent from the SME startup literature. This business startup case study is unique and represents the only known empirical study of its sort.

Approach: This study involved semi-structured interviews with internal and external stakeholder groups (e.g., business founders, customers and suppliers) of a highly successful brand-oriented New Zealand company in order to produce a comprehensive profile of its founders’ brand development strategy. The qualitative data from these interviews were used to develop a conceptual model of his development strategy. This model was then contrasted with the most widely used models of business start-up and corporate branding referred to in the entrepreneurship literature. From this analysis implications of the emergent model for SME start-up were identified.

Results: This paper presents Icebreaker’s corporate branding model which, while sharing features with Urde’s (2003) model, is distinguished in ways that have significant relevance for those starting SMEs. It positions ideology rather than market opportunity at the heart of the brand development process and shows how brand development can integrate all aspects of enterprise creation. In so doing it proposes a fundamental shift in thinking which enterprise development thinking.

Implications: The model, by positioning a corporate branding ideology rather than market opportunity at the heart of entrepreneurship, represents a new way of thinking about enterprise development that encourages an integrated approach and gives new businesses advantages over their established competitors.

Value: Firstly, this paper challenges conventional views of business start-up by revealing a distinctive business development model. In so doing, it makes a valuable contribution to both the corporate branding
and SME startup literatures. Secondly, the model it presents promises to be a valuable template for guiding new businesses development in a way that leads to robust and competitive corporate brands.
Introduction

Wong and Merrilees (2005, p. 155) observe, “The world of branding is clearly dominated by big business, … What is less clear is where small to medium-sized enterprises fit into this world of branding”. This continues to be the case as academia and industry alike turn their attention to the notion of corporate branding to provide differentiation and customer preference (e.g. Knox and Bickerton, 2003). In the emerging corporate branding literature there is equivocality surrounding this concept (Balmer and Gray, 2003) and a lack of consideration of its implications for small businesses. This paper presents the findings from a case study designed to address this blind-spot in the literature.

Icebreaker is a premium Merino outdoor clothing company, based in Wellington, New Zealand that was founded by Chief Executive Officer (CEO) Jeremy Moon in 1995. It has developed an innovative Merino apparel product line that has secured the company a position as an industry leader in the active outdoor clothing market. Prior to Icebreaker, outdoor clothing was made from synthetic materials, or wool, which was “hot and itchy”. Moon pioneered the Merino category, provided consumers with light, breathable, warm, sleek and non-itchy garments that are machine washable. Icebreaker’s product range consists of a layered system of outdoor wear from under-garments through to jackets and accessories that are made out of 100% pure New Zealand Merino. This range is sold through ‘outdoor adventure’ retailers and is popular with skiers, mountain bikers, hikers and also with urbanites who identify with the ‘soft adventure’ lifestyle brand.

This paper presents Icebreaker’s corporate branding model, developed from data collected from both internal and external stakeholders. The analysis reveals that the model, while sharing features with Urde’s (2003) model, is differentiated from this in ways that have significant relevance for those starting small businesses. By positioning ideology rather than market opportunity at the heart of the brand development process, it represents a fundamental shift in enterprise development thinking. The study reported in this paper therefore makes some important contributions to both the corporate branding and SME literatures.

The paper starts by reviewing the corporate branding and SME literatures. It then describes the methodology and findings, focusing specifically on Icebreaker’s 4-step model of corporate branding. It concludes by outlining how this model and the methodology that has used to reveal it make important contributions to entrepreneurship and our perspective of the role of corporate branding in SME start-up.

The evolution of corporate branding

There is little consensus on exactly what constitutes a brand. However, for the purpose of our research, Aaker’s (1991) definition was adopted as a starting point. A brand was defined as a distinguishing name and/or symbol (such as a logo or trademark, or package design) intended to identify the goods or services of a seller, and to differentiate those goods or services from competitors (Aaker, 1991).

The notion of corporate branding is similar to product branding, in that it tries to create differentiation and preference, however, the process of branding is situated at the level of the organisation, rather than at the level of individual products or services (Knox and Bickerton, 2003). As society has moved from the industrial age to the knowledge age, companies have become increasingly enamoured by the intangible nature of the corporate brand and its ability to generate sustainable competitive advantage (Balmer and Gray, 2003; Harris and De Chernatony, 2001). This intangible attribute seems to be a consequence of the fact that corporate branding is founded on the identity of an organization: that essential character or personality (Inskip, 2004, p. 358) that distinguishes it from others. However, to be effective, this identity must align with the corporate image; how external stakeholders recognise the company.

Corporate branding differs from product branding in that, while product brands can be contrived and artificially created, corporate brands stem from real internal and external functions. Internally, if the corporate brand is strong and people can identify with it, it generates a sense of unity and common purpose. Externally, corporate branding facilitates consumers’ desires to look deeper into the brand and
assess the nature of the corporation (Hatch and Schultz, 2003). Table 1 compares the two types of branding.

**Table 1: The differences between product brands and corporate brands**

<table>
<thead>
<tr>
<th>Focus attention on</th>
<th>PRODUCT BRANDS</th>
<th>CORPORATE BRANDS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>The product</td>
<td>The company</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Managed by</th>
<th>Middle managers</th>
<th>The CEO</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attract attention and gain support of</td>
<td>Customers</td>
<td>Multiple stakeholders</td>
</tr>
<tr>
<td>Delivered by</td>
<td>Marketing</td>
<td>Whole company</td>
</tr>
<tr>
<td>Communications mix</td>
<td>Marketing communications</td>
<td>Total corporate communication</td>
</tr>
<tr>
<td>Time horizon</td>
<td>Short (life of product)</td>
<td>Long (life of company)</td>
</tr>
<tr>
<td>Importance to the company</td>
<td>Functional</td>
<td>Strategic</td>
</tr>
</tbody>
</table>

In recent times there has been a shift in both academic and industry thinking from traditional product branding towards corporate branding (Knox and Bickerton, 2003). This is largely a consequence of industry pressures and calls for greater transparency and accountability from the organisations behind the products (Mitchell, 1999, cited in Knox and Bickerton, 2003). Businesses have come to appreciate how a strong corporate brand can provide consumers with a sense of community, and a reassuring ‘seal of approval’. The result is that corporate brands are consistently linked to greater market awareness and profitability. For instance, as stakeholders become attached to a corporate brand they may extend this loyalty to a company’s extended brand network or new product lines (Hatch and Schultz, 2003).

In conjunction with changes in industry perspectives, there has been a convergence of two threads of academic thinking about corporate branding: the marketing (external) perspective and the organisational (internal) perspective. Brand building has traditionally concentrated on finding untapped customer opportunities and then creating externally focused strategies. This notion perceives that brands are about image - phenomena that exist in consumers’ minds and are controlled by their perceptions (De Chernatony, 2001). The organisational perspective, on the other hand, argues that brands are about the internal functions of organisations, which define the organisation for its members (i.e., its corporate identity). Corporate branding draws on both these theoretically and empirically well established concepts (Balmer, 2001).

Corporate identity has strong ties with other organisational concepts such as company values and vision. (Balmer and Gray, 2003; Harris and De Chernatony, 2001; Hatch and Schultz, 2003; Urde, 2003) and answers the questions “what are we?” and “who are we?” It is concerned with how managers and staff make their organisations unique and what they feel and think about these organisations (Balmer and Gray, 2003; Hatch and Schultz, 1997). In contrast, corporate image is concerned with how the organisation is perceived in the mind of external stakeholders. However, there is a distinction between image management for product branding and corporate branding. Primarily in corporate branding, “management should be concerned with image not because they want to manufacture it, but because they need to discern how organisational signals are being received and decoded and how external perceptions square with management’s own perceptions of the organisation” (Balmer, 1998, p. 968). A strong corporate brand is only possible if corporate image and identity are aligned and the gap between identity and image is minimized (De Chernatony, 1999; Harris and de Chernatony, 2001; Hatch and Schultz, 2003). Thus, while there has been a shift away from a marketing orientation to a more multidisciplinary organisational perspective, the goals of brand management still must coincide with the consumer. The result is a concept that spans disciplinary boundaries, drawing on organisational, marketing, communication, and consumer behaviour theory (Balmer and Gray, 2003; Hatch and Schultz, 2003).
Corporate brand management and development

Two models of corporate brand management - Balmer and Gray’s (2003) and Harris and De Chernatony’s (2001)- and three model of corporate brand development - Hatch and Schultz’s (2003), Knox and Bickerton’s (2003) and Urde’s (2003) – predominate in the literature.

Balmer and Gray (2003) identify nine different conceptual categories for corporate brand management: monolithic, endorsed, branded, familial, shared, surrogate, supra, multiplex and federal. They propose that the relationships among and between corporate, subsidiary and product brands (i.e., the ‘brand architecture’) is an important aspect of corporate brand management. For instance, the “Star Alliance” brand is an example of a “Supra” corporate brand, derived from several corporate entities, which each have different implications for corporate brand management. In contrast, Harris and de Chernatony’s (2001) model of managing corporate brands proposes that companies must narrow the gap between a brand’s identity (internal perception) and its reputation (external perception). The development of congruent members of the ‘brand team’ is a key aspect of achieving this.

Hatch and Shultz (2003) posit a model of corporate brand development composed of the interplay between an organisation’s vision, culture and image. Vision is the central idea behind the company that embodies top management’s aspiration for the future. Culture is defined as the internal values, beliefs, and basic assumptions that embody the heritage of the company and image is the views of the organisation developed by its stakeholders.

Knox and Bickerton (2003) propose six conventions (prevalence of certain accepted practices which offer a constraining influence) of corporate branding: Brand context (setting the brand co-ordinates); brand construction (building the positioning framework); brand confirmation (articulating the brand proposition); brand consistency (developing consistent corporate communications); brand continuity (driving the brand deeper into the organisation); brand conditioning (monitoring for relevance and distinctiveness).

Urde’s (2003) proposes that corporate brands stem from an interaction between three types of values: Organisational values (values that are related to the organisation); core values (values that sum up the brand) and added values (values as experienced by the consumer). Core values are “all embracing terms that sum up the identity of the brand” (Urde, 2003, p. 1035). Urde’s model proposes that brand development involves translating an organisation’s values into core values that guide all the organisation’s efforts. These core values are then transform into added value for various target groups. The core values act as guiding forces for developing (in a chronological order) the brand architecture, product attributes, personality, brand positioning, communication strategy and the internal brand identity.

Despite their differences the models of corporate brand development are similar in that they all embrace an interplay between internal and external perspectives. However, it is important to note that the models have been developed with reference to large multinational companies (e.g., ‘British Airways’ (Hatch and Schultz, 2003); ‘Volvo’ (Urde, 2003); ‘Virgin’ (Balmer and Gray, 2003). These are established companies so the literature, meaning the literature on brand management and development has not been informed by studies that have explicitly mapped corporate brand development from the inception of a company. This has produced a poorly developed interface between branding and entrepreneurship. This is due to the youth of the brand management literature and the difficulty of accessing suitable cases due to the demanding schedules’ of nascent small business owners (Carson and Coviello, 1996; Krake, 2005). Five studies have identified that addressed the SME context (i.e., Boyle, 2003; Inskip, 2004; Krake, 2005; Wong and Merrilees, 2005; Rode and Vallaster, 2005).

Inskip (2004) studied fifteen business to business organisations in the United Kingdom, focusing on the availability of official branding assistance and concluded that SME’s are left unsupported when trying to develop corporate brands. In contrast, Rode and Vallaster (2005) analysed eight service based companies who were at the start-up stage in relation to corporate identity and image. Such studies suggest SME’s rarely define their identity and needed assistance in understanding the concept and implications of corporate branding. This raises the question of whether we can learn how to manage SME brand development from studying such companies, which neither value nor understood their brand.
Methodology

The aim of the research reported in this paper was to develop an understanding of how one SME developed their exemplar corporate brand strategy. The specific research questions were:

1. What does this SME understand by the concept of corporate identity and corporate branding?
2. What is the SME’s (organizational) identity?
3. How and why did this identity form?
4. How and why was the identity developed into a corporate branding strategy?
5. How is the corporate brand communicated internally and externally?
6. Are the internal perceptions of the corporate brand aligned with the externally held perceptions of the brand?

Corporate branding is multifaceted in nature, dealing with concepts such as image, identity and perceptions, which are not easily quantified. It is also the product of the meanings generated in the interaction between multiple stakeholders. Qualitative research generates rich data that has the ability to tap into such complexity therefore it a qualitative approach was chosen (Patton, 2002). The case study technique used is in line with previous corporate branding research (Hatch and Schultz, 2003; Urde, 2003).

According to Knox and Bickerton (2003, p.1003), “The legitimacy of (corporate branding) research depends on taking an ‘outside in’ customer focus and an ‘inside out’ organisation focus” This meant that the research approach had to be able to collect data that captured the perceptions of both internal (company) and external (publics) stakeholders. As only one study was found that conducted a separate external analysis to verify the organisation’s perceptions of its brand (see Witt and Rode, 2005), we this concluded that this feature is relatively unique.

Company selection and sample construction

A list of suitable companies was created which satisfied five criteria:

1. Is an SME business.¹
2. Is industry based.²
3. Is brand-orientated.³
4. Was established within the last fifteen years.
5. Is willing to work within the necessary method.

Icebreaker met these criteria, especially criterion 3, and readily agreed to participate and so was chosen as the subject of the research study.

---

¹ Definitions of SME’s differ across countries and industry sectors, however, the number of employees is a common measure of size For the purpose of this research, the European Network for SME Research’s definition (cited in McCartan-Quinn and Carson, 2003) of an SME was adopted. A micro business was considered to have 0-9 employees and a small one to have 10-99 employees.

² Previous SME research involved service and business to business organisations, therefore a consumer product focus was chosen to provide another unique attribute to this research. The apparel industry was chosen as companies compete primarily via their brands.

³ Brand orientation is an approach in which an organisation deliberately and actively develops a brand strategy with strategic significance for the company. In a brand-orientated organisation “processes revolve around the creation, development and protection of brand identity” (Urde, 1999, p. 117).
Internal participants were both male (50%) and female (50%) employees of varying ages who had been with the company for from two months to two years. External participants were suppliers (who source the 100% pure Merino fibre), retailers (who communicate about Icebreaker to customers) and customers (who evaluate the brands). Icebreaker’s brand consultant, who assisted the company develop its brand blueprint, also participated. Members of the board of directors and manufacturers were not interviewed due to the busy schedules and location (in Shanghai) respectively.

The company database of customers could not be accessed due to privacy regulations so the sampling strategy for external groups was designed by the researcher and operationalised by Icebreaker staff. A randomized list of suppliers and distributors was created and individuals on this list were contacted by Icebreaker to they were willing for their details to be released to the researcher. In total, eight Merino wool suppliers, three ‘other’ (e.g., printers, store fitters) suppliers, and five retailers (Australia and New Zealand) were interviewed.

Urban based skiers are a major target market for Icebreaker products so participants were obtained from an Auckland based ski club. Members were contacted generated until one was contacted that had purchased an Icebreaker garment. From this initial member/Icebreaker customer interview, additional interviews were developed through the snowball technique, until fifteen interviews were complete. The precise number was chosen as at twelve interviews it became evident that unique answers to the research questions had reached saturation point (Kaplan et al, 1987). Five in-store interviews were conducted at a major retailer of Icebreaker clothing with consumers who were trying on Icebreaker product.

**Data Collection Methods**

**Internal data collection** included observations over a week long period at Icebreaker’s headquarters; studying archival documents, marketing communications and media report; and in-depth interviews. Eight interviews were conducted with Icebreaker staff, including founding members, the chief executive officer, human resource, marketing, design, production, operations and general staff.

**External data collection** involved interviews held at various locations (e.g., in retail stores) and by telephone.

**Data Analysis Methods**

All interviews were transcribed and the information relating to the what, how and why of Icebreaker’s corporate branding were identified and analysed for prevalent themes and their relationship to the model of the company’s corporate brand development that was created in the interview with the CEO. This original model of corporate brand development was adapted and refined using data from employees in an iterative process designed to ensure the final model embraced all data. This emergent model was compared with data gathered from external stakeholders. At the same time as data analysis was occurring relevant literature was located so that the emerging model could be compared with extant models of corporate brand development.

**Findings**

The data confirmed that Icebreaker is primarily a ‘marketing company’ not a traditional clothing manufacturer. It focuses its internal resources (90 employees during the period of the study) on design and branding. Moon noted, “We’d rather invest in building intangible assets such as graphic design and apparel design, supply chain management systems, and efficient financial and management information systems” (Lassiter and Heath, 2005, p. 6).

Externally, Icebreaker maintains control, not ownership over the supply chain. Unlike competitors, the process starts with careful selection of the Merino fiber via contracts with eighty New Zealand Merino Stations. Other steps such as spinning, knitting, cutting and construction are outsourced abroad, based on
where the best technology and ethical practices can be found. In summary, the value chain is characterised by “deep and narrow” relationships – *Icebreaker* contracts only a few firms with the aim to develop lasting relationships.

Since inception *Icebreaker* has grown rapidly and in 1998 began to export internationally. Over half the revenues now come from offshore sales in Europe and the USA. From a mere thirty items in 1995, the company took just 10 years to produce its first million garments. It now has well over one thousand stock items. Such has been its success that *Icebreaker* has been the recipient of a plethora of industry, design and entrepreneurial awards. In academia its exemplary approach was recognized by a Harvard Business School case (see Lassiter and Heath, 2005).

*Icebreaker’s 4-step model of corporate brand development*

*Icebreaker* developed its corporate brand through a four step process: clarifying, attracting, communicating, and developing (see Figure 1).

**Figure 1:** *Icebreaker’s 4-step model of corporate brand development*
Step 1 - Clarify

Icebreaker developed their identity through clarifying their ‘vision’ (purpose and mission), ‘core values’ (guiding principles) and ‘differentiators’ (what makes the company unique from competitors) from the inception of the company.

A). Vision

Icebreaker laid out its vision “to be a premium Merino outdoor apparel company” in their ‘brand bible’ developed during the inception of the company. Such text-book like clarity gave the founding member’s of the company a strong sense of direction. From this clearly articulated vision, the foundation for a company brand was laid.

B). Values

CEO Jeremy Moon was committed to delineating the core brand values in the initial start-up stage. For instance, half the company’s seed capital was invested into brand development months prior to a garment ever being conceptualized. Jeremy Moon explained that thoughtful articulation of core values ensured the company grew in accordance with its brand identity. "We’ve been successful in developing a company identity as well as a product identity because we defined those things by making them conscious. What you apply your thinking to is what happens. We have a clear sense of self because it was defined early on."

The complete set of core values at Icebreaker is classed as commercially sensitive. Therefore, only three of the guiding principles evident at the company will be discussed as examples throughout the paper – the core values of ‘kinship to nature and each other’, ‘authenticity’ and a focus on ‘uniqueness’.

C). Differentiators

In conjunction with explicating the core values of the company, Icebreaker also planned aspects of the company and product brands that would differentiate them from competitors. Moon calls this a “push and pull model” (see Figure 2).

Figure 2. Push and pull model of core values

As one internal stakeholder noted, “you are trying to create distance from competitors (push) and affinity and closeness through values that are meaningful with customers (pull). We were trying to create intimacy and first person proximity with people, whilst being unique.” For instance, employees explained that Icebreaker’s competitors were about ‘men climbing mountains’, whereas, Icebreaker wanted to be a ‘soft adventure, gender equal’ brand.
It is important to highlight that core values and differentiators need not be in conflict with one another – on the contrary – ‘differentiating’ factors at Icebreaker stem from the core values. For instance, a corporate core value at Icebreaker is ‘authenticity’. This core value is also a differentiator as explained by an employee - “Merino, that’s all we do, whereas our competitors are diversified. We are different, we are completely focused”.

Furthermore, Icebreaker strives to be unique – which is evident in their challenge to break the typical clothing manufacturer model. As explained by one senior employee, “Icebreaker attacks things in a different way and constantly challenges the model”. Rather than starting with a fabric, Icebreaker sources the fiber directly, and maintains relationships throughout the value chain so that it can trace the origins of a garment to the sheep’s back. Another senior manager stated that “Rather than everything being about things getting made at the cheapest possible price we tie ourselves into relationships with everyone in the supply chain.” Yet another example of how differentiating factors can be congruent with core values to form a unique, authentic company identity.

D). The Impact of Organisational Mindset
From the outset there was a recognition that “people have moved from buying products to brands. Now people are moving from brands to companies. One of the trigger points is the visibility of companies that the web has offered. The consumer can now see me ‘the company’ and I don’t have anything to hide behind so it better be good.” This underpinned a mindset at Icebreaker that lifted brand development to a strategic orientation. Corporate brand development was not a secondary consideration, but rather, it was a strategic driver. The emphasis on brand identity at the senior management level was disseminated to employees throughout the different company functions. Employees were articulate and understood concepts such as corporate branding, corporate identity and how they impacted Icebreaker. For instance, one employee noted “corporate branding is about who Icebreaker is, the values, ethos and way of life here”. This organization-wide brand orientation enabled the growth of a coherent brand identity.

E). Authentic Brand Building
The corporate brand presented by Icebreaker is authentic. The organisation stresses that corporate identity and branding is not contrived but rather a presentation of ‘who’ Icebreaker truly is. It reflects a belief that consumers can clearly tell the difference between a contrived versus true company brand. “Generation Y is hyper savvy about authenticity and integrity. You can smell it a mile away when something is pretending to be something that it isn’t”. Unlike product branding initiatives, the corporate branding process is not a creation of a logo or simple contrived design initiatives. As one employee observed, “Icebreaker simply tried to build a company. We didn’t try and ‘invent’ anything. If you don’t have a strong point of difference you have to create a mystery or a brand. However, our story ‘is what it is’. We didn’t need to make it up.”

At Icebreaker the corporate brand is not merely a marketing tool but an authentic way of organisational life and decision making. For instance, the core value of ‘kinship with nature and each other’ is not just publicised to consumers, but also affects every aspect of product design and value chain management. For instance, Icebreaker has strict policies that all network businesses must adhere to ethical business practices. The list of requirements is detailed from average wage, workspace requirements, to waste management. However, typical of the integrity that exists at Icebreaker, they engage in detailed investigations to ensure that affiliated businesses are not only saying what they are doing, but that they actually fulfill obligations. This is merely one example of the way that Icebreaker authentically presents its corporate identity.

Step 2 - Attract

The second stage of corporate brand development at Icebreaker was to attract employees that could bring the company brand to life.

A). Hire
As the company grew Icebreaker began to hire people that were consistent with the core corporate values. For instance Jeremy Moon stated “We hired people that rang true to these values”. A senior
manager described the ‘Icebreaker employment brand’ which was formed to ensure that employee and corporate values were congruent. Their branding specialist noted. “One of the qualities of the Icebreaker company is there are some really wonderful people working there, they are all passionate, outdoorsy type people.”

B). Actualize and Personify
The corporate values at Icebreaker are ‘bought to life’ through the employees. Jeremy Moon commented “we personified the company brand through people that can bring these ideas to life.” Consistent with the CEO’s ideas, employees felt a sense of self with the company brand. “The product and how we tell our story is a result of how we see ourselves and how we live” noted one employee who is also a multi-sport athlete.

C). Build Values into the Product
A key insight into the branding process is that the product became a manifestation of the brand story and people at Icebreaker. There is a direct flow of core values and ‘idea architecture’ of the company into the employees, which is finally built into the product and communication. This may seem “back to front to conventional thinking”, however, it ensured “the product became the physical expression of these ideas and we built features that talked to our core values. The product became the manifestation of the brand” noted Moon.

Step 3 - Communicate
The third process of corporate brand development at Icebreaker is the communication of the brand internally (to employees) and externally (to suppliers, retailers and customers).

A). Internally
There is a strong focus on communicating values and the Icebreaker culture within the company. Internally the brand is communicated through constant conversations about ‘who’ Icebreaker is. For instance, an employee commented that, “company and corporate culture has been debated and discussed and we have attempted to understand it”.

Employees from design, to marketing, production and sourcing were all articulate and consistent in describing both the company and product identity. Their descriptions of Icebreaker’s identity stem from the core vision and values outlined in part one. For instance, participants were recorded as saying, “Icebreaker is an authentic, quality brand”; “Icebreaker is about relationships with nature and each other. We experience this as employees and customers experience this when they use the product” and “Icebreaker is a friend. It acts with integrity and thoughtfulness”. It is interesting to note that there is not one overarching brand statement that company ‘teaches’ their employees. Rather, Icebreaker’s identity flows from the core values and is multifaceted in nature. This lends to a more genuine articulation of the company brand.

The corporate culture is also developed through values projects and social events. For instance, “there’s stuff we do as a company. We run a values project were we define who we are and where we want to be. We do a lot together as a company. It’s cool fun”.

B). Externally
Externally the brand is communicated through three marketing mediums – the web, catalogue and product. The corporate values and Icebreaker’s story are “built into the marketing communications” stated the one senior manager. However, the company values are not merely words on the page, rather, “our values are the operating DNA of the product and marketing communications. When we talk with our photographer she can look to the values and start thinking of those things and express that through photography.” For instance, the value of ‘kinship to nature and each-other’ is evident in the placement of people interacting with each other and the elements in Icebreaker’s advertising catalogue. However, Icebreaker did not merely rely on advertising to communicate their brand to core stakeholders. Rather, the
brand identity is also communicated through employees, the value chain (suppliers, distributors, retail staff) and brand loyal customers.

Icebreaker’s employees engage members of the value chain in long term relationships and provide each member with high levels of visibility. For instance, one manager described the value chain as “this family of people who all work together to the same end”. Each year Icebreaker takes key business partners to Merino stations to build their understanding of the product – demonstrating the crucial role the value chain has in developing the brand identity. This strategy clearly pays dividends. The external analysis confirmed that within those sampled, supplier’s perceptions of the company are aligned with Icebreaker’s internal brand identity. Suppliers described Icebreaker as “inclusive and involving” in their relationship and praised their unique strategy “to build relationships with people beyond signing across the dotted line”. Three suppliers commented that Icebreaker has provided them with financial stability during an otherwise unstable time and in turn “we are committed to Icebreaker and they are committed to us”.

Furthermore, the brand is developed through close relationships with retail stores and retail store associates. For instance, the brand consultant noted, “Icebreaker spends very little on advertising. But they do spend a lot of money below the line focusing on retailers - which they look after very well. It is all part of communicating that extended culture”.

Consistent with internal findings, external analysis revealed that retailers sampled were full of praise for the company and their product. The detailed responses from all five retailers who were contacted are testament to the strong relationships Icebreaker develops with their partners. For instance, Australian based retailers commented that they had “the pleasure of meeting Jeremy and had visited the New Zealand office”. Other retailers highlighted that Icebreaker is unique because “they recognise that the retailers are the ones at the coal face, dealing with customers and selling the product and are open to suggestions and feedback.” Furthermore, one retailer noted that Icebreaker “involves retailers in the development process. They also offer a very high level of customer service and have maintained a personal and small company attitude despite their size.” Retailers in this sample understood the Icebreaker product positioning, describing it as a “well designed, quality, functional, genuine product”. This understanding also extended to their perception of Icebreaker’s corporate values. Retailers described the corporate values as “adventurous, down to earth, work hard-play hard, authentic, genuine, hardworking, fun, innovative and quality-driven”. Four out of the five retailers commented on the ethical principles adhered to by Icebreaker and demonstrated their awareness that “Icebreaker hand picks factories in China to uphold this quality”. The corporate identity perceived by retailers in this sample was clearly consistent with the internal identity evident at Icebreaker. Furthermore, one retailer commented that the brand was successful as “it is a unified brand from corporate to consumer” while another retailer described this as “employees walking the talk”. Both comments suggest that retailers from in the sample understood how the brand was developed in an authentic manner.

Finally, Icebreaker acknowledges that their most vital marketing tool is their brand loyal customers who spread information about the brand and the product via word of mouth. This is consistent one employees description of Icebreaker’s as “sticky” – “it gets people talking, and this manifests into a tribal following.”

Interviews with customers revealed that the external perceptions of Icebreaker in this sample are also consistent with the image the company endeavors to hold. For instance, one customer explained they chose to purchase Icebreaker because “It is the best. It is a natural fiber and I think that on a technical level it is the best piece of clothing to keep me warm in the elements”. However, another customer commented, “I purchased it because I like the design, the understated, classic feel of the brand” – a comment that reflects the urban demographic that Icebreaker reaches. Customers knew a lot about the company, in particular, how Jeremy Moon founded the company, and the famous story of Sir Peter Blake rating Icebreaker’s product. Respondents were quick to celebrate that “Icebreaker is a New Zealand success story” with “good kiwi ingenuity and a high quality product”. Furthermore, sixteen of the twenty respondents commented that Icebreaker was produced with 100% pure New Zealand Merino, yet manufacturing had recently shifted overseas. Given that Icebreaker only moved manufacturing offshore in

---

4 Sir Peter Blake was a famous contemporary New Zealand yachtsman.
the year the data was collected, demonstrates how engaged those in the sample were with the brand. Customers described the product as “New Zealand, classic, reliable, and well designed” and the company brand with words such as “positive”, “entrepreneurial spirit”, “innovative thinking”, “values the environment” and “caring about New Zealand and the world in general”. Such responses suggest that Icebreaker’s internal identity is congruent with customer’s perceptions of the brand.

**Step 4 - Develop**

The company has grown considerably since its start-up. This growth has been constantly accompanied by re-assessment of the brand. Employees noted that there is never an acceptance of the status-quo at Icebreaker, “we are always pushing each other to advance the company” noted one employee. This culture of constant improvement is reflected in the way the company’s brand identity is debated and discussed regularly at both top and lower management levels. However, the brand values have not radically changed – on the contrary, it seems from the data that the brand has remained incredibly consistent. One of the most senior staff noted that, “the roots of the brand are very firm, but we look at new ways to present our identity each year”. This is illustrated by the way that Icebreaker finds new ways to improve the application and communication of their core values through new company events, improved ethical principals or adapted marketing communications.

**Discussion**

The model of corporate brand development evident at Icebreaker is consistent with many of the ideas in the corporate branding literature (see Table 2) and also has unique features that challenge some aspects of this literature.

**Table 2: Consistencies between the Icebreaker model and the extant literature on corporate brand development**

<table>
<thead>
<tr>
<th>Idea Evident at Icebreaker</th>
<th>Theorist</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clarify vision</td>
<td>Hatch and Schultz, 2003; Knox and Bickerton, 2003; Urde, 2003</td>
</tr>
<tr>
<td>Clarify company values</td>
<td>Balmer and Gray, 2003; Urde, 2003</td>
</tr>
<tr>
<td>Align company (values)/identity with the customer image</td>
<td>General consensus (see Table 1)</td>
</tr>
<tr>
<td>Ensure (values)/identity are unique from competition</td>
<td>Hatch and Schultz, 2003; Knox and Bickerton, 2003</td>
</tr>
<tr>
<td>Company core values form foundation for company identity</td>
<td>Urde, 2003</td>
</tr>
<tr>
<td>Company must place an importance on branding (mindset)</td>
<td>Urde, 2003</td>
</tr>
<tr>
<td>The CEO is the driver of brand awareness</td>
<td>General consensus (see Table 1)</td>
</tr>
<tr>
<td>Strategic orientation towards brand development</td>
<td>General consensus (see Table 1)</td>
</tr>
<tr>
<td>Need for authentic brand building</td>
<td>Balmer, 2001; Hatch and Schultz, 2003</td>
</tr>
<tr>
<td>Hire employees consistent with the company values/identity</td>
<td>Harris and de Chernatony, 2001</td>
</tr>
<tr>
<td>Employees actualize and personify the (values)/identity</td>
<td>Harris and de Chernatony, 2001; Urde, 2003;</td>
</tr>
<tr>
<td>Build the (values)/identity into the product</td>
<td>Urde, 2003</td>
</tr>
<tr>
<td>Communicate the (values)/identity internally</td>
<td>Urde, 2003; Harris and de Chernatony, 2001</td>
</tr>
<tr>
<td>Communicate the (values)/identity externally to multiple stakeholders (network)</td>
<td>General consensus (especially, Leitch and Richardson, 2003).</td>
</tr>
<tr>
<td>Communicate the identity externally through employees and traditional marketing communications</td>
<td>General consensus (see Table 1)</td>
</tr>
<tr>
<td>Develop the brand with a focus on “past into the future”</td>
<td>Collins and Porras, 1994; Harris and de Chernatony, 2001; Knox and Bickerton, 2003; Urde, 2003;</td>
</tr>
</tbody>
</table>
Firstly, clarifying company vision to aid in developing a corporate brand has been highlighted in extant literature. For instance, Hatch and Schultz (2003) posit that corporate brand development stems from aligning ‘vision, culture and image’; ‘vision’ is the first stage in Urde’s (2003) model and Knox and Bickerton (2001) propose companies must initially ‘set the co-ordinates’ (vision).

Secondly, values are noted as an important facet of corporate branding in many brand management and development models. However, many of these models posit that values are part of broader concepts, such as organisational culture (Harris and de Chernatony, 2001; Hatch and Schultz, 2003). Urde (2003) is the only theorist to denote that core values are the foundation of the corporate brand.

Thirdly, there is general consensus that corporate brand values should be aligned with the values and identity of the consumer (Urde, 2003). Extant literature also demonstrates that companies must ensure that their brand provides a unique selling proposition from competitors (Hatch and Schultz, 2003 Knox and Bickerton, 2003).

It has been proposed that an organisations’ mindset towards the branding process is a decisive factor in the success of corporate branding initiatives (Urde, 2003). Furthermore, there is general consensus in the literature that corporate branding is strategic and must be driven by the CEO (see Table 1). According to Balmer (2001), a company’s identity may be actual, communicated, conceived, ideal or desired. To be truly successful companies, though, it must present their ‘true’ identity (Balmer, 2001; Hatch and Schultz, 2003). To ensure theirs was true, Icebreaker hired staff that were consistent with their core corporate values. This is consistent with Harris and de Chernatony’s (2001) notion that an organisation’s corporate brand can act as a template against which prospective employees can be evaluated.

The other facets of stage two demonstrate that employees ‘actualize and personify brand values’ and secondly ‘build these values into the product’. This idea has been explored in the literature, for instance, Urde (2003, p 1030) suggests that companies need to “get the organisation to live its brand” and that the “task of research and design is to build the core values into the product”.

Stage three of the Icebreaker model focuses on internal and external communication. Extant literature posits that corporate branding relies heavily on organisation’s members holding congruent perspectives about the nature of their brand (Harris and de Chernatony, 2001). Furthermore, promoting a brand externally requires a company-wide, network approach, rather than simply marketing department initiatives (see Table 1).

Finally, theorists emphasize that corporate brands must be dynamic to encourage a sense of challenge, but equally must build from redefinitions and reinventions, rather than revolutionary shifts from one value set to another (Collins and Porras, 1994; Harris and de Chernatony, 2001; Hatch and Schultz, 2003; Knox and Bickerton, 2003; Urde, 2003). Icebreaker’s brand illustrated how dynamism and consistency can be simultaneously achieved.

A comparison with Urde’s Model

Icebreaker’s model of corporate brand development aligns fairly well with the conceptual model presented by Urde (2003). Urde’s model posits that core values form the foundation for a company’s identity and corporate brand strategy. Consistent with this unique idea, Icebreaker’s identity stemmed from their core values. Urde’s model also proposes that core values flow into product attributes, brand positioning, communication strategy and internal brand identity. This is similar to the Icebreaker model where core values were built into the product, positioned against competitors, communicated to stakeholders and were evident in employees. There are, however, some important differences in Icebreaker’s model. Figure 3 allows these to be identified. Firstly, the most significant difference between the two models is that in Icebreaker’s model employees actualize the brand values, rather than having employee involvement being focused at the bottom of the model (‘Internal Brand Identity’) as in Urde’s conceptualization. This contrast may reflect the fact the Icebreaker model is a ‘start up’ model of corporate brand development so
employees whose values were congruent with the company’s values were hired at the beginning of the brand development process. This meant that Icebreaker was not trying to shape corporate brands with an existing set of employees whose values may not have been aligned with the desired brand.

Secondly, Urde’s model includes the notion of developing ‘brand architecture’ (the associations between various brands owned by a parent company). This idea is prominent in the corporate branding literature (e.g., Balmer and Gray, 2003) but is not relevant to a single brand focus, something typical of an SME (Krake, 2005).

Finally, there are also minor differences between the models. For instance, the Icebreaker model has only one set of core values, and Urde’s model does not demonstrate the concept of ‘developing’ the brand.

Figure 3: Contrasting Urde’s Model (2003) and the Icebreaker Model

Differences with other literatures

An important difference of the Icebreaker model and extant literature on corporate brand development is the focus on company core values versus customer core values. Some theorists argue that organisations should use “customer values as a common starting point rather than the more subjective starting point of corporate values” (Knox and Bickerton, 2003, p. 1007). Icebreaker’s model involves developing their internal corporate values first, rather than focusing specifically on current or intended consumers’ value set. Prior to Icebreaker, outdoor clothing was made of synthetic materials or wool. Consumers were not educated on other natural fibre alternatives, and therefore were not familiar with the qualities of the Merino fabric. Icebreaker educated customers (and competitors) about these qualities with the result that now millions of consumers value the fabric and the company that introduced it to the outdoor apparel market.
This illustrates how solely focusing on consumer’s current values may be counter-productive when developing an innovative product.

Secondly, corporate brand management literature suggests that companies should cultivate core values that are consistent with the culture that exists in the organisation (e.g., Harris and de Chernatonty, 2001). While this is an important aspect of corporate brand development for existing organisations, the Icebreaker model suggests a key prior step for start-up companies. Start-up businesses have the ability to hire employees with values congruent with a vision. This enables the development of an authentic brand as company values are personified by employees and values can be built into the product or service design. Thus, a complete alignment between vision, process and personnel is more achievable in a start-up than in an existing organisation developing or redevelop its corporate brand.

Contribution to the SME Corporate Branding Literature

The corporate branding process evident at Icebreaker is not mirrored in studies of SME branding, particularly those that existed when Icebreaker was being formed. Compared to the multinational branding literature, which uses high profile examples, SME studies typically involve companies with low brand orientations. This paper’s first contribution to the SME literature, then, is that it presents the case of SME that was fully aware of the principles and implications of corporate brand identity. Thus, it presents a case that supports Inskip’s (2004, p. 365) assertion the corporate branding is just as relevant for the SME sector as it is for the large company sector.

This paper’s second contribution is a corporate branding model that provides a way for emerging small businesses to differentiate themselves. Such businesses are constrained by many factors – especially capital (Inskip, 2004; McCartan-Quinn and Carson, 2003) but Icebreaker has demonstrated brand-led start-up is not necessarily expensive. If a new SME clarifies what is important to it, determines how this is different from the competition and how they can execute and communicate the company strategy in a manner which is consistent with that identity then they too can have a competitive corporate brand.

Finally, and significantly, the Icebreaker case shows that start-up SMEs are in an ideal position to develop more authentic corporate brands than existing competitors who are established in the marketplace but do not have a core identity. This is because they are a free from the constraints of existing structures and processes (Rode and Vallaster, 2005) and so can use brand development to bring focus to and integrate the entire business development process and as a means for assessing and selecting development opportunities (Merrilees, 2007).

Conclusion

The literature on brand-led new business ventures is extremely scant, especially with regard to SMEs (Merrilees, 2007). Typically entrepreneurs have a product or service concept that drives their enterprise development initiative. Corporate branding follows business establishment rather than leads it. This paper has told the story of an enterprise development that radically deviated from this conventional approach. It profiles a thriving New Zealand business that had its genesis in a corporate brand concept. By analyzing both internal and external stakeholders’ perceptions of the brand and its development the study has produced a model that not only contributes to the branding literature but offers a model of brand-led start-up that is relevant to SMEs. It provides empirical evidence that illustrates the utility of hiring employees that are consistent with the core values that underpin the brand development so that right from the outset a company can have an integrated value-based approach to business and brand development. It also gives empirical validity to many of the existing propositions in the corporate branding literature, including propositions in Merrilees’ (2007) composite theory for brand-led new venture development. In so doing, it is helping to addresses a gap in the SME entrepreneurship literature.
At a methodological level, this paper advances corporate branding literature through the use of a relatively unique methodological approach - an empirical case analysis, using an internal and external standpoint, the small business perspective and an exemplar case.

Research suggests that companies that create strong brands gain significant advantage over those that do not (Hatch and Schultz, 2003). However, SME’s have significant difficulties in marketing and developing brands (Inskip, 2004; Rhode and Vallaster, 2005). Like many other countries, New Zealand is a country of small businesses and relies on their success for its economic prosperity. Icebreaker’s model of successful brand-led start-up offers a promising approach that could be replicated by SME start-ups and contribute significantly to the economic prosperity of SME-based economies.

References


5 96.8% of enterprises in New Zealand employ nineteen or fewer full-time equivalent staff, yet account for one third of New Zealand’s output (New Zealand Ministry of Economic Development, 2004).

