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2014-07-11
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An Employee's perspective of co-branding separation on brand commitment

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A research report submitted to the Faculty of Commerce, Law and Management, University of the Witwatersrand, in partial fulfilment of the requirements for the degree of Master of Management in Strategic Marketing

Johannesburg, 2014

ABSTRACT

The use of co-branding as a strategy has become increasingly important to managers due to saturation in mature markets and the search for growth in emerging nations (Chul, 2009; Helmig, Huber, & Leeflang, 2008; Uggla & Asberg, 2010). In this study, a co-branded joint venture strategy is seen as an enterprise or an organisation introducing a national brand into a foreign market using brands that are successful in that foreign market, thus creating a co-brand (Kuvykaite & Mascinskiene, 2010).

Co-branded strategies do not necessarily last for an indefinite period of time and the companies involved may want to separate after some time, particularly when the multi-national firm wants to align subsidiaries under the same corporate identity and brands. This split leads to impacts on a number of different levels including internal stakeholders (e.g. employees), external stakeholders (suppliers, consumers etc.) and the reputation of the firms. It can be argued that employees are the most affected by co-branded ventures above all other stakeholders.

Danone Southern Africa is a firm of French origin which entered the South African dairy market through a joint venture with Clover South Africa. The two companies formed the Joint venture, Danone-Clover in 1998 (Abratt & Motlana, 2002), to operate within the fresh dairy produce market (i.e. Yoghurt, Custard and Maas). Whilst the two organisations had formed a joint-venture, Clover South Africa continued to operate separately within the broader dairy and beverages market. Danone subsequently bought out Clover's share in the joint-venture in 2010 (Danone, 2010), resulting in the two firms no longer having a joint venture operation and functioning as separate entities within the South African market.

This study explored the effects of a co-branding joint-venture separation, on the brand commitment of employees of the separated organisation. The study explored the process of the separation from a case study perspective. One-to-one interviews were conducted, with the use of open-ended and semi-structured questions with the

responses recorded. The population of the study were employees of Danone Southern Africa, based at the Roodepoort head office. There were two sets of respondents, the first being employees who were part of Danone-Clover and are now employees of Danone Southern Africa. The second were respondents that had only being under the employment of Danone Southern Africa, i.e. joining the organisation post the joint venture separation in 2010. The study made use of judgemental sampling where sample sizes are often determined on the basis of theoretical saturation, as a result 18 respondents were interviewed.

The results of the study showed that a co-branding joint venture separation has a negative impact on brand commitment, in that brand commitment decreases after the dissolution of the joint venture. In this specific case study, Danone's brand performance was not negatively impacted particularly in terms of market share, where Danone is the dominant player within its category. The corporate brand, however, was negatively impacted in terms of external brand recognition, as there is confusion between the Clover and Danone brands with consumers seeing Danone as part of Clover South Africa.

The Danone brand, post dissolution, performed well in the marketplace due to the fact that there was high fit between the two organisations that had formed the joint venture, a restraint of trade agreement post the joint venture dissolution, Danone Southern Africa buying the dominant sub-brands from Clover, the inability of competitors to take advantage of the dissolution of the joint venture and manager performance in managing the brand post dissolution. Danone has however, been negatively impacted internally by the dissolution. The organisation has experienced high turnover across senior, middle and junior management, leading to a loss of institutional knowledge. The results also suggest that due to the high fit between the firms, brand promise and understanding of the brand were negated as issues, post dissolution, for Danone. The dominance of the sub-brands also made it somewhat easier for employees to continue to perform, as those brands were already well established within the organisation and the country. The Danone organisation also experienced a negative culture in the eyes of the internal stakeholder, which in part has been a large contributor to the higher turnover. The study

also showed that employees who remained with the organisation post the co-branded joint venture separation had higher commitment than employees who joined post the joint venture separation. There were also informal processes for learning within the organisation post dissolution, it was recognised that a more formal and prioritised knowledge management process needed to be started by the organisation.

This study has theoretical and managerial implications. Future research could include other geographic territories, industries and a consumer evaluation on the effects of the dissolution. Given that the two organisations will become competitors (from 2015 onwards), it offers an opportunity for a longitudinal study on the two organisations and how they interact (in the areas of brand standing, identity, employee perception, market share and brand interaction with consumers) over the coming years.

Key words: Employee Brand Commitment, Co-branding separation, South Africa, FMCG, Danone, Clover SA, Internal marketing, Employee perspective, Case Study.

DECLARATION

I, Mukundi Munzhelele, declare that this research report is my own work except as indicated in the references and acknowledgements. It is submitted in partial fulfilment of the requirements for the degree of Master of Management in Strategic Marketing in the University of the Witwatersrand, Johannesburg. It has not been submitted before for any degree or examination in this or any other university.

Mukundi Munzhelele

Signed at ……

On the …….. day of …… 2014

DEDICATION

This report is dedicated to my parents, who have never stood in my path but have always shown a deep appreciation, support and encouragement in my scholarly activities. I would not have been able to achieve anything without you. Thank You.

ACKNOWLEDGEMENTS

I would like to extend my deepest appreciation to Professor Russell Abratt, for his support, patience and guidance throughout the entire research process and for sharing his valuable knowledge both in class, conversations and most importantly via email. as it was not always possible to meet directly.

To the academic staff at Wits Business School, I thank you for the experiences and knowledge that were imparted to me, you made the whole programme invaluable. I would also like to thank the supporting staff at the Wits Business School for assisting with any and all queries that I had. In particular, I would like to thank Tozi Zeka who looked after the first ever group of MMSM Students.

I would like to thank Danone Southern Africa for allowing me to conduct this study, I was given access to any information that I required and for this I am eternally grateful. Lastly I would like to thank all the respondents who allowed me to interview them. I would not have been able to complete this dissertation without your assistance and patience.

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1. CHAPTER 1: INTRODUCTION

This chapter introduces the research topic by focusing on: (1.1) the purpose of the study; (1.2) the context of the study, (1.3) the rationale of the Danone-Clover joint venture; (1.4) the problem statement; main as well as the sub problems, (1.5); the significance of the study, (1.6); delimitations, (1.7) definition of terms; and (1.8) assumptions. The chapter concludes with the dissertation structure featured at (1.9).

1.1 Purpose of the study

This study aims to investigate the effects of a co-branding joint-venture separation on the brand commitment of employees of a separated organisation. The study also explored the process of the separation from a case study perspective. This study was based on a review of brand commitment literature, co-branding management literature, internal marketing literature, branding literature and was supported by a case study of one of the two firms, the firm being Danone Southern Africa.

Danone Southern Africa is a firm of French origin which entered the South African dairy market through a joint venture, namely with local South African firm, Clover South Africa. The two companies formed the Joint venture, Danone-Clover, in 1998 (Abratt & Motlana, 2002), to operate within the fresh dairy produce market (i.e. Yoghurt, Custard and Maas). Whilst the two organisations had formed a joint-venture, Clover South Africa continued to operate separately within the broader dairy and beverages market. Danone subsequently bought out Clover's share in the joint-venture in 2010 (Danone, 2010), resulting in the two firms no longer having a joint venture operation and functioning as separate entities within the South African market.

The effects of a co-branding joint venture separation on brand commitment were explored from the perspective of the employees of Danone South Africa. The study defines the *post joint venture separation* as the period after the physical and legal split which took place in 2010.

1.2 **Context of the study**

Marketing is not a separate management function, but rather the business in its entirety as seen from the customer's point of view. Marketing thus defines a distinctive organisational culture, a fundamental shared set of beliefs, as well as, values that put the customer (internal and external) at the centre of the firm's thinking about strategy and its operations Deshpande and Webster Jr (1989).

In this study, a co-branded joint venture strategy is seen as an enterprise or an organisation introducing a national brand into a foreign market using brands that are successful in that foreign market, thus creating a co-brand (Kuvykaite & Mascinskiene, 2010). The respective brand owners expect that the partner's brand will strengthen consumer preferences and buying objectives, helping each to reach wider or new consumer audiences Kuvykaite and Mascinskiene (2010) due to product and brand fit. The investment in the organisation's joint venture brand, will subsequently be used as a strategic tactic in the quest for an advantage over competitors (Ceridwyn King & Grace, 2009).

Due to increasing competition amongst manufacturers and retailers in saturated markets in addition to the migration to emerging markets in search of growth especially for fast-moving consumer goods organisations, the use of co-branding as a strategy has become increasingly important for brand managers (Chul, 2009; Helmig et al., 2008; Uggla & Asberg, 2010). As a result, co-branding as a strategy has seen increases in its use over the past decade (Leuthesser, Kohli, & Suri, 2003). Other than building brands on their own in new markets, brand managers are taking advantage of the possibility of achieving more efficient brand management, by cooperating with other brands in a number of different ways (Bengtsson & Servais, 2004).

In the South African market, companies have formed associations of various types with foreign firms, as globalisation and access to different markets has improved over time. These associations have enabled South African firms to have access to the latest technology, as well as, expertise in their respective industries, two examples of these associations are:

1. Simba with Frito-Lay of the United States of America in the snacking food industry (Nova Capital Partner, 2011).
2. Robertson's with Best Foods in the United States of America (Nova Capital Partner, 2011).

The benefit for the incoming company is the ability to penetrate the South African market, with the possible larger benefit being that South Africa could be used a springboard into other African countries, in search of more growth. The incoming foreign firm benefits from the expertise and knowledge of locals that are well versed in the special requirements of the particular markets that interest the incoming firm (Nova Capital Partner, 2011).

Bernard Hours, co-Chief Operating Officer of Danone (2010), commented*: "Partnering with one of the most attractive food companies in Africa has been a great adventure for Danone and has enabled us to successfully build a franchise with sustainable growth, not just in South Africa, but more broadly in the entire region (notably in Angola, Namibia, Mozambique) (Weston, 2009, p. 2)***.**

Danone entered the South African market for the reasons outlined above, forming a joint venture operation within the South African market with a leader in the dairy business, in Clover South Africa (Abratt and Motlana (2002). The joint venture, Danone-Clover, was a dual equity share structure, Danone had a share ownership of 55%, with the remainder being owned by Clover South Africa (Danone, 2010). The joint venture was operated and managed by employees of Danone-Clover, who would subsequently become Danone employees after the dissolution of the joint venture. Clover South Africa managed the implementation of strategies, including the field sales team, logistics and distribution, inputs (i.e. raw milk) and administration (e.g. payroll) using their already established efficiencies.

1.3 **Rationale of Danone-Clover joint-venture separation**

Thomasson and Janusonis (2012)) state that "a demerger process is primarily influenced by market, industry and regulatory conditions and internal factors such as the history and level of integration" (p. 2). According to the Clover 2010 Financial statement, the Clover Group for a number of years reported that it needed to recapitalise as it was restrained by insufficient capital. During late 2009, after numerous unsuccessful initiatives to recapitalise the Clover Group, the board decided to pursue the sale of the Group's 45% shareholding in Danone-Clover as a source of capital injection (Clover, 2011).

> ***Danone-Clover Press Release 2010*** *- "Danone and Clover SA are pleased to announce that Clover SA has agreed to sell its 45% shareholding in the joint-venture Danone-Clover to Danone, for an amount of Rand 1,085 Mil (close to €100 Mil) in cash. Post completion of this transaction, which is subject to official approvals, Danone will hold 100% of Danone-Clover, the market leader in fermented fresh dairy products & desserts in South Africa (Danone, 2010, p. 1)."*

Through the Danone-Clover joint-venture, the two companies jointly re-invented the market and innovated over the 12 year duration of the partnership, driving a five-fold increase in yoghurt consumption (Brook, 2010). In 2009 – at the time of the joint venture dissolution, Danone-Clover held a 44% value market share through the NutriDay, Activia, Danino, Ultramel, Mayo and Inkomazi brands. The joint venture meant that products were marketed under the brand Danone-Clover; however, since the end of the joint venture, these products have been rebranded to only feature the Danone Brand. This was done independently of an above the line marketing campaign and has been done slowly through packaging changes. The main Brands (Ultra-Mel, NutriDay) changed to Danone only branding in 2010, however, smaller product lines such as Buttermilk, only changed to Danone branding in 2013.

Bernard Hours, Co-Chief Operating Officer of Danone (2010), commented: *"Taking full control of this joint-venture reflects our ambition as well as the confidence we have in the growth perspectives of this business. It also reflects the determination of our employees to deliver Danone's mission to bring health through food to as many people as possible, to benefit South African consumers* (G. Danone, 2009, p. 1) ."

The sale was concluded with the Danone Group during December of 2009, in terms of which the investment was sold for R1,085 billion. This fee included the full transfer of the brands under Danone-Clover as well as the manufacturing and distribution facility in Boksburg. The Clover Board was of the opinion that this transaction was favourable to the Group in that the fair value of the investment had been assessed at R642 million on 31 May 2009, therefore meaning the Danone Group paid a premium of 68% over the fair value (Clover, 2010). The needed recapitalisation has been subsequently used by Clover to reduce debt, collapse the dual equity share structure and allow consideration of capital projects (Clover, 2010).

Whilst the formal joint venture was dissolved, Clover was still contracted as a service provider to provide raw milk as well as distribution services to Danone for the following five years. Furthermore, a restraint of trade agreement was signed by the two companies that prohibited both from entering each other's key markets i.e. fermented dairy products and deserts (Danone) and Dairy and Beverages (Clover) for five years; that is from 2010 to 2014. To illustrate the dissolution of the joint venture, the Clover 2011 financial statement states that "during the first six months of the prior year raw milk sales to Danone-Clover, an associated company at the time, were set off against cost of sales, to facilitate comparability to the current year that period's sales are now shown as revenue and the cost of sales and revenue figures were regrouped accordingly, having no effect on profits (Clover, 2011, p. 103)."

Johann Vorster, Chief Executive Officer of Clover (2010), commented*: "Clover SA has greatly benefitted from this joint-venture over the past 12 years, and realized a sizeable profit through this transaction. The funds it will receive from this sale will be put to good use in repositioning its factories and reshaping its distribution facilities, something it wanted to do for some time but was not able to do due to a lack of funds. A new beginning for both organisations is something to look forward to in the future* (G. Danone, 2009, p. 1)."

The co-branded joint venture between Danone and Clover was viewed as a successful by both parties, thus motivating Danone and Clover to sever the relationship (at cost), resulting in the separation of the two companies. Beyond equity restructuring, however, the two companies are no longer at the same position as when they created the Joint venture, the following will have happened:

- The two firms will have shared knowledge during the joint venture and as a result have competitive knowledge of one another.
- The two firms will have a different product make-up than before the joint venture.
- The two firms will have different employee make-ups than prior to the joint venture
- The two firms may have shared employees, with some employees 'switching' organisations.
- The financial model of both firms will have changed.
- The two firms will need to re-establish differentiated positioning in the market from one another, to establish an identity with external stakeholders and internal stakeholders.

In September 2013, Clover South Africa announced that they would be severing the majority of the service provider contracts the organisation had had in place with Danone since the joint venture separation when the contracts came to an end in December 2014.

"The Company [Clover SA] is of the view that the decision not to extend the contracts in its current form is unlikely to have a materially negative impact on Clover's earnings potential in the medium to long-term as Clover will be freed from certain legacy restrictions which came about due to historical reasons which will enable Clover to pursue opportunities, including new products development, as well as further principal distribution prospects (Release, 2013, p. 1)."

The somewhat long lead-time to the end of the contractual agreements with Danone Southern Africa would enable a smooth transition for both organisations, and allow Clover South Africa to make strategic investment decisions in the preparation of entering markets it was unable to compete within.

"Going forward, Clover will be able to pursue certain attractive high-growth product categories, backed by our brand power and ability to achieve a strong market position, Commented Johann Vorster, Clover's Chief Executive (Release, 2013, p. 1)."

Table 1 below shows a summary of the business relationship between the two companies Clover and Danone.

Table 1 Summary of Danone and Clover relationship

Event
In 1997 Clover Holdings is established as the holding company for Clover SA., and in 1998 Danone and Clover form Danone-Clover (Pty) Ltd joint venture.
In 2008 Danone-Clover (Pty) Ltd acquired a 70% interest in Mayo Dairy (Pty) Ltd.
In 2010 Danone separated from Danone-Clover (Pty) Ltd and became Danone Southern Africa (Pty) Ltd, responsible for the Danone yoghurt and sour milk drinks products.
Dual share structure abolished (2010).
Clover continues to provide a range of services for Danone Southern Africa relating to

yoghurt and other fermented products, including raw milk and other raw material procurement, manufacturing and packaging of custard, sales and merchandising services as well as distribution and certain IT services.
18 September 2013: Shareholders are advised that Clover has decided not to renew a number of the supply and service agreements currently in place between Clover and Danone Southern Africa (Pty) Ltd under the current terms and conditions after the majority of the contracts end in December 2014.

1.4 **Problem statement**

The problem this research addressed is the lack of literature in the specific case of foreign firms forming joint ventures in local developing markets, separating to stand alone and the consequences of that on the brand commitment of employees in the separated firm.

In South Africa, foreign firms are capitalising on the improved societal and economic developments, which are a result of political and macro-economic stability, high population growth figures versus matured markets and expected high returns on investment (into Africa, 2005). These foreign firms are creating operations in Africa in a number of ways, with co-branded joint ventures as a strategy being one of them with the aim to attract, monetize and retain local customers or consumers

Co-branding joint venture separation may have a positive or negative impact on employee brand commitment which could either enhance or harm the future performance of the separated firm.

The first sub-problem is: The extent to which employees understand what their organisation's brand represents post a co-branding joint venture separation will either have a positive or negative effect on corporate brand performance.

The second sub-problem is: Corporate brand performance will be positively or negatively affected by the extent to which employees understand their organisation's brand promise post a co-branding separation.

1.5 **Significance of the study**

The gap in the knowledge that this study intended to fill was the understanding of the effects of a co-branded joint venture separation on employee brand commitment, particularly in the context of an emerging nation.

The intention of the study was to also provide guidance to managers on how to better manage the brand commitment of employees post a co-branded joint venture separation in the context of the marketing paradigm; particularly for managers of multinational firms who have entered

developing local markets. The study would also provide guidance to the application of internal orientated activities in the creation of brand commitment, in the process, developing competitive advantage through human capital.

1.6 **Delimitations of the study**

This study was delimited to:

- Co-branded joint ventures, not, co-branded products.
- Danone-Clover and/or Danone Southern Africa employees – Clover SA employees were neither employees of Danone-Clover or Danone Southern Africa and only performed duties as per the service contracts put in place as part of the joint venture agreement in their roles at Clover SA.
- To the fermented dairy industry, which falls under the category of Fast Moving Consumer Goods market (FMCG).

The delimitations of the study are specific and will decrease the generalisability of the study, particularly due to its nature which was a qualitative case study investigation of an organisation undergoing a co-branding joint venture separation with a local firm. This methodology advocates understanding over generalisability, furthermore, the study included a case study of one firm (Golafshani (2003), due to its specificity.

1.7 Definition of terms

- **Co-branding** – "A form of co-operation between two or more brands with significant customer recognition, in which all the participants brand names are retained (Blackett, 1999, p. 7)."

- **Organisational citizenship behaviour -** organisational citizenship behaviour refers to "individual voluntary behaviours outside of role expectations (non-enforceable functional extra-role behaviours) that are not directly or explicitly acknowledged by the formal reward system (Burmann & Zeplin, 2005, p. 282)."

- **Brand citizenship behaviour** – **"**goes beyond the scope of organisational citizenship behaviour as it also includes externally targeted behaviours, while organisational citizenship behaviour is generally considered to be intra-organisational (Burmann & Zeplin, 2005, p. 282)."

- **Co-branding separation** - A form of co-operation between two or more brands which comes to an end.

- **Brand commitment** – "reflects the degree to which a brand is firmly entrenched as the only acceptable choice (Warrington & Shim, 2000, p. 764)"; "Brand commitment, is the psychological attachment or the feeling of belonging an employee has towards an organisation (C. King & Grace, 2012, p. 471)."

- **Product Fit** – "Refers uniquely to the relatedness of the product categories referred to or implied by the brand alliance (e.g., ice cream with chocolate fudge), irrespective of the brands (Simonin & Ruth, 1998, p. 33)."

- **Brand Fit** – "Refers to the suitability of two brands forming a partnership (Simonin & Ruth, 1998, p. 33)."

- **Internal branding/internal marketing** – Systems and processes that establish systems/processes for consequent employee behaviours that are consistent with external branding efforts (Aurand, Gorchels, & Bishop, 2005).

- **Internal market orientation** – Involves the generation and dissemination of intelligence of information pertaining to the wants and needs of employees, and the design and implementation of appropriate responses to meet these wants and needs (Lings, 2004).

- **Organisational socialisation** – The process by which employees gain an appreciation for the values and beliefs of the organisation and the subsequent expectations of them by the organisation, in order to be a successful contributor (C. King & Grace, 2012, p. 473).

- **Employee receptiveness** – The extent to which an employee is receptive to organisational dialogue for the purpose of creating an informed and productive workforce (C. King & Grace, 2012, p. 476).

- **Brand Knowledge** – What employees know about customers, products, processes, mistakes, and successes (Bollinger & Smith, 2001).

- **Psychological contract** – Perceptual contract established between employees and their employers based on the employees' perceptions of a series of established expectations (Miles & Mangold, 2004).

- **Corporate Branding** – A systematically planned and implemented process of creating and maintaining a favourable reputation of the company with its constituent elements, by sending signals to stakeholders using the corporate brand (Einwiller & Will, 2002).

- **Corporate rebranding -** The practice of building anew a name representative of a differentiated position in the mind frame of stakeholders and a distinctive identity from competitors (Jussila).

- **Affective Commitment –** An employee stays with a business because he feels loved, connected and a sense of belonging with that business (Allen & Meyer, 1996).

- **Normative Commitment –** An employee stays with a business because he feels he owes the business for something it has done for him (Allen & Meyer, 1996).

- **Continuance Commitment** - An employee stays with a business because he perceives the cost of leaving that company as too great (Allen & Meyer, 1996).

- **Brand extension** - A marketing practice that uses an established brand name in one category to introduce products in totally different categories (Choi, 1998).

- **Line Extension** - Reformulating or modifying an existing product (Wilson & Norton, 1989).

- **Brand Stretch** – Transferring a successful brand name to quite a different market (Wood, 2000).

- **Brand identity** – How a company seeks to identify itself (Nandan, 2005).

- **Organisational culture** – The deeply seated values and beliefs shared by personnel in an organisation (Martins & Terblanche, 2003).

1.8 **Assumptions**

- It was assumed that respondents had enough knowledge in the area of internal branding and brand commitment to clearly articulate answers to posed questions.
- It was assumed that respondents were be truthful in their responses.
- It was assumed that influences outside of the areas being researched did not affect the responses of respondents.

1.9 **Report Structure**

The study is organised into six chapters, all supporting the study purpose and research questions.

Chapter 1 introduces the research topic by focusing on: (1.1) the purpose of the study, (1.2) the context of the study, (1.3) the problem statement, main as well as the sub problems, (1.4) the rationale of the Danone-Clover joint venture, (1.5) the significance of the study, (1.6) delimitations, (1.7) definition of terms and (1.8) assumptions. The chapter concludes with the dissertation structure, as seen in (1.9).

Chapter 2 is concerned with the literature on which the study is grounded. It incorporates an introduction (2.1), a critical assessment of (2.2) co-branding, (2.3) brand understanding, (2.4) brand commitment, (2.5) Internal marketing and, (2.6) brand knowledge. The topics contribute to the main problem of the report, the last section of this chapter, (2.7) summarises the literature review and relists the propositions of the study.

Chapter 3 is concerned with the research design and methodology and is covered under eight headings, including: (3.1) introduction, (3.2) the research methodology, (3.3) research design, (3.4) the population and sample, (3.5) discussion document, (3.6) data collection, (3.7) data analysis, (3.8) limitations of the study, and (3.9) validity and reliability of the study.

In Chapter 4, the results of the study are presented, whilst in Chapter 5, the results are discussed in relation to propositions stated in the report. As the last chapter of this research report, Chapter 6 outlines the research implications and areas for future research.

2 CHAPTER 2: LITERATURE REVIEW

2.1 Introduction

Businesses engage in co-branding strategies to receive benefits such as added marketplace exposure, shared expenses, access to new markets or simply enhancing the reputation of their own brand by being aligned with a respected partner (Yin, 2009). Co-branding strategies, however, are not infinite and in their dissolution, employees are affected in any number of ways, including their brand commitment, and it is important that managers recognise this. In today's dynamic marketplace, having a well-thought through brand strategy is a key contributor to corporate success(Martinez & De Chernatony, 2004).

In this report, Chapter 2 is concerned with the literature on which the study is based, in satisfying the research questions. It incorporates a critical assessment of 2.2) co-branding literature with specific attention to, co-branding typology, brand communication and its consequences, 2.3) brand understanding, 2.4) brand commitment, as well as the role of human resources in building commitment, 2.5) Internal marketing as well as internal branding and finally, 2.6) brand knowledge, which also encompasses culture.

The topics contribute to the main problem the report satisfies and further follows the sub-problems, as presented under the problem statement heading. The last section of this chapter, 2.7) concludes the literature review and relists the propositions of the study as presented under their relevant headings.

2.2 **Co-Branding**

A robust corporate brand, as well as a favourable reputation is considered a prerequisite to succeed in the global financial marketplace. Abratt and Motlana (2002), state that "for multi-national companies with global brands, co-branding raises the chances of product success in local markets, whilst, for a local company with strong brands it secures their future through foreign investments, and above all, the consumer franchise and loyalty are maintained" (p.43). In this article Danone-Clover, as well as, McCain/I&J are used as case studies in the emerging nation of South Africa, showing the positive as well as negative application of the co-branding strategy.

To strengthen the argument for co-branding strategies to be formed, Kuvykaite and Mascinskiene (2010) state that the objectives may be to enter new markets, endeavour to communicate quality that is still inaccessible by the brand owner, receive financial advantage or benefit and strengthen competitive positioning. Furthermore Kuvykaite and Mascinskiene (2010) "distinguishes the following main advantages of a co-brand, the possibility to absorb a partner's experience; decreasing costs of introducing a product in a market; bigger possibilities of entrenchment in a market, and increased brand equity" (p. 448). To this end, more multinational firms are entering the local market (i.e. South African market), using co-branding as a strategic tool, with some examples being: Wal-Mart, Barclays and Vodafone.

The multi-national firms benefit from accessing the already built brand equity in the local market and the local entity benefits from the investment (Papasolomou, 2006; Vander Schee, Aurand, Pickens, Ma, & Girap, 2010). There are a number of positives that are associated with co-branding as a strategy and some problems. These are summarised in table 2 below.

Table 2 Benefits and Problems of Co-Branding

Benefits of co-branding	Problems with co-branding
Increased sales revenue	Once a co-brand has a position in the market, it can become difficult to dismantle the co-brand and even more difficult to re-establish the brand alone; Companies with different vision and cultures are incompatible for co-branding (Doshi (2007).
Exploring new markets with minimums expenditure; sharing of risk	Repositioning of a brand by one party may adversely influence the other party; Mergers and takeovers of one party may prove detrimental to the other (Doshi (2007).
Improved product image and credibility with another brand association; Increased customer confidence with the product	Future environmental changes (political, legal, social, technological or consumer preference) may yield unexpected outcomes (Doshi (2007).

Source: Doshi (2007)

Co-branded strategies, however, do not necessarily last for an indefinite period of time and the companies involved may want to separate after some time, especially when the multi-national firm prefers to align subsidiaries under the same corporate identity and brands, as the brand identity of the firm needs to focus on the points of differentiation that offer sustainable competitive advantage to it (Ghodeswar, 2008). This split leads to impacts on a number of different levels, namely: internal stakeholders (e.g. employees), external stakeholders (suppliers,

consumers etc.) and the reputation of the firms either positively or negatively. Furthermore, during the co-branding partnership, equity is built up for the co-branded entity, this equity/goodwill does not automatically dissolve from the marketplace and the consumer mind-set, or how the brand equity transfers to the new product (which are no longer co-branded products), as well as how the newly re-branded products subsequently have an impact on product performance for either brand (Leuthesser et al., 2003). Accordingly, the company brand equity, does not necessarily divide equally for the benefit of the involved firms as perceptions of a co-branded products can have positive or negative spill-over effects on the parent brands. According to Leuthesser et al. (2003) and Simonin and Ruth (1998) lesser-known parent brands are likely to be affected the most.

A partner brand that is more prominent because of familiarity or other factors not limited to advertising, size and order, exerts a relatively greater effect on the alliance (PDR, 2013; Tobin & Begley, 2004). In other words, branding alliances or co-branding tactics have the potential to modify subsequent attitudes toward the partnering brands. Even after controlling for prior brand attitudes, significant spill-over effects of brand alliances on the partner brand (PDR, 2013). Brand alliances of various types significantly affect the respective partnering brands. Simonin and Ruth (1998) summarise their findings on spill over of co-brand alliances as follows:

- Spill over effects do not necessarily affect the partners equally (PDR, 2013).
- Brands less familiar than their partners experience stronger spill over effects than their partners (PDR, 2013).
- When two highly familiar brands ally, they experience equal spill over effects (PDR, 2013).
- Both product fit and brand fit significantly affect attitudes toward the alliance (PDR, 2013).
- The impact of product and brand fit on the core brands is mediated fully by the alliance (PDR, 2013).
- Prior attitudes toward the partner brands affect attitudes toward the alliance (PDR, 2013).
- Partners do not necessarily contribute equally to the alliance (PDR, 2013).

- Brands less familiar than their partners contribute less to the alliance than their partners (PDR, 2013).
- Product fit and brand fit moderate neither the contribution of the brands to the alliance nor the spill over effects of the alliance on the core brands (PDR, 2013).

Managers can spend considerable organisation resources when investing in co-branding coalitions and are at risk of lessening their original brand equity from a failed co-branding initiative, the importance of fit (brand and product) must play a role in decisions regarding collaborative branding efforts (Yin, 2009). Managers must take into consideration the fit between their brand and the partner brand, that is, whether there is fit in regards to product category, brand concept and quality ratings (Yin, 2009). Without such fit, the capability to achieve positive consumer evaluations from the co-branding effort is compromised (Yin, 2009). The most important success factor in the Simonin and Ruth (1998) study as well as in the replication study, is the brand fit. In determining partner brands, managers should consider the logical fit between the images of both brands, the brand strength is a secondary factor (Tobin & Begley, 2004).

Much of the literature on co-branding has centred on the definition of co-branding, the different disciplines of co-branding, and the differences between co-branding and brand alliances. The literature has also focused on co-branding ventures as well as the success and failure of co-branding ventures, thus providing guidelines for managers and marketers alike in the creation of co-branded ventures or partnerships.

The focus of co-branding literature has been on the creation of opportunities for creative competitive advantage in the market place, scant research focus has been directed toward the dissolution of co-branding ventures (Chul, 2009; Leuthesser et al., 2003) and the effects that this has on arguably the firm's most important resource, the employee. Despite the fact that when two companies enter into co-branded collaborations they are displaying an amount of confidence in each other, the risk for both brands is high, as the brands are featured on the product and therefore failure can dilute the original brands' equity as well as their reputation (Yin, 2009) the ramifications of which can be long-standing.

Consequently, the focus on the creation of co-branding research and lack of information of the dissolution of these ventures has resulted in learnings that are heavily weighted toward creation, and thus management does not have a holistic view of co-branding ventures, from creation, operation through to dissolution and the management of it, particularly with regard to co-branded joint venture separations. Any form of organisational change can be difficult and a delicate process. Further, the more impact change has on the existing status quo, the more problematic it may be to implement (Ewing, Fowlds, & Shepherd, 1995). In brand terms, (Ewing et al., 1995) states that when an existing association is erratic with the repositioning, two concerns arise:

1. The existing associations could hinder the repositioning effort; and
2. Important segments of the market could potentially be alienated (internally or externally) by the repositioning effort.

Combining two brands can cause brand meaning to transfer in ways that were never intended (Papasolomou, 2006) therefore, in the repositioning (post separation) managers must be sensitive to the existing external customer base (Ewing et al., 1995) as well as the internal stakeholders of the organisation instituting the change; As there is agreement that a worthy employee-firm relationship positively impact the performance and profitability of the firm. Employees are recognised as a critical part of a chain-of-relationships network (Khanyapuss Punjaisri, Wilson, & Evanschitzky, 2008).

To this end, It can be argued that employees are the most affected by co-branded ventures above all other stakeholders, specifically in terms of commitment, further to this, (Boyd & Sutherland, 2006) state that while the majority of firms define themselves by the products and services they offer, they are essentially defined by the productivity, quality and service of their human capital, namely the performance of their employees, thus directly impacting brand performance. Employees are a part of the organisations before, during and post co-branding

activities, furthermore employees leave and join the organisation/s throughout this entire process. This has an effect on the understanding of the brand, brand commitment and consequently organisational performance. This is a result of the strength of the bond between customers and employees, with employee commitment playing a mediating role in the company's success and thereby its reputation (Thomson, de Chernatony, Arganbright, & Khan, 1999). According to Khanyapuss Punjaisri et al. (2008), studies have viewed the firm-employee relationship as a prerequisite to the customer-firm relationship and, thus, the organisation's superior success.

In the particular situation of a co-branded joint venture separation or divestment/demerger, the process may be described as merely the sale by one organisation of one part of itself to another party. This definition however gives the impression that the severance of ownership is always complete and final, which does necessarily reflect reality (Hoare & Cartwright, 1997). Separation can vary in terms of the nature and degree of ownership severance (Hoare & Cartwright, 1997). In circumstances of demerger or spinoff, there is not a clear severance of ties with the partner company but merely a split which involves the dilution of ownership but not a clear loss of control or influence. Thus, the "end result of a demerger can result in a quasi-independent company but not a completely independent one meaning that, some of the systems, procedures and culture of the original partner of the joint venture may still remain after the demerger has taken place (Hoare & Cartwright, 1997, p. 194)"; although it may over time evolve into a separate organisation with a completely new culture (Hoare & Cartwright, 1997). According to Hoare and Cartwright (1997) the degree or type of change is possibly the most important influence on the process (separation), having an impact on the people in the organisation and their being able to fundamentally affect the wellbeing of organisations and their individual members.

In today's competitive environment, organisations strive to carve a competitive niche for themselves. In order to do this, organisations have invested in the brand as a strategic tool. "The creation of a strong brand and the deliverance of perceived quality are premised by

employee's ability to deliver on customer expectations, thus adoption of internal-oriented initiatives directed at employees improving service quality and bring the brand to life (C. King & Grace, 2007, p. 3)" has been advocated. However, this internal orientation can be side-lined or altogether forgotten in the process of a co-branding separation leading to a negative effect on brand commitment, thus affecting the ability to create competitive advantage through human capital, i.e. employees. Therefore, it can be logically extended that the perceptions that employees have toward the brand could affect the customers' brand perceptions (Khanyapuss Punjaisri et al. (2008). In this context, repositioning of the corporate brand (post co-brand separation) management must take into account the key role that employees play in endorsing the corporate brand promise (Gotsi & Andriopoulos, 2007).

A co-brand joint venture separation can be viewed through the process developed by (Hoare & Cartwright, 1997) – refer to figure 1:

- The process begins with the recognition that the organisation is in a stage of "fuzziness", in that there may be confusion about its objectives (Hoare & Cartwright, 1997).
- "From recognition follows a reassessment of the organisation's corporate strategy by taking into account environmental uncertainties, deciding what direction to take and how to get there may necessitate organic growth, acquisition, merger, divestment or a change in management structure (Hoare & Cartwright, 1997, p. 194)."
- Once this has occurred successfully, this is likely to result in further realignment. According to the Coyne and Wright model, Stage 6 is the "end of the line" in that the parent/partner company will continue to maintain ownership or control of the assets or part of the assets, which are repackaged as two (or more) separate units, this allows the owners to adjust investment decisions and from efficiency gains which arise from improved monitoring and control that separation may bring (Hoare & Cartwright, 1997).

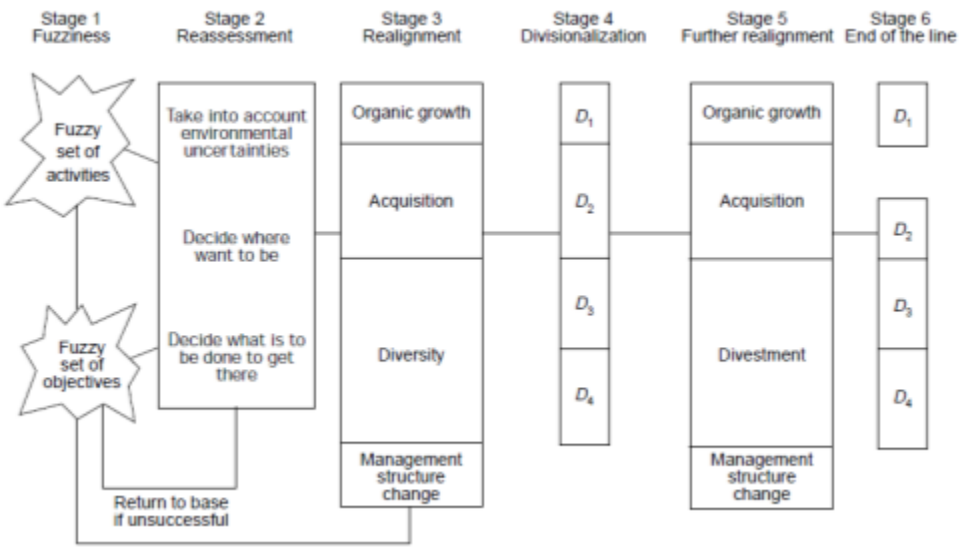


Figure 1 Co-brand joint venture separation

Source: (Hoare & Cartwright, 1997)

In significant corporate restructuring, as in a co-branded joint venture demerger, the original partner company may be in partial control of the newly formed companies assets or activities. Therefore, the demerger may be managed in a more orderly and planned manner, as the companies are familiar with employees and they largely share the same culture (Hoare & Cartwright, 1997). It is thus not the merging of two different cultures but the dissolution of one culture that could either be positive or negative, which could become more visible and emerge more strongly after a demerger. Those who hanker after the culture of the former partner company may thus find this process more traumatic than those who were already evolving and accepting the emerging culture of the new business unit (Hoare & Cartwright, 1997), in other words a demerged organisation starts its life with more "cultural baggage" in that it is likely to experience some cultural interference from its old partner or parent company, be it directly or indirectly (Hoare & Cartwright, 1997).

Whilst a change of name, logo or association may have an uplifting effect on a company; this will only translate into consumer perception where there has been a simultaneous shift in strategy

and/or products and services. (Lomax & Mador, 2006) point out the test of a brand is not what it says, it's what it does; therefore appropriate communication to all stakeholder groups is required, re-branding is itself a message and should be the outward manifestation of some real change (Lomax & Mador, 2006), in other words, this means that employees must understand the organisation's brand and what it means to them in relation to their roles, as well as, their responsibilities. As a consequence, internal brand management has taken on increased prominence, given the key role that employees play in the delivery of the brand and its promise internally and externally (Ceridwyn King & Grace, 2009) as from an employee perception, internal brand management helps bridge the employee knowledge gap and, in doing so, bring into line customer brand expectations with employee performance (Ceridwyn King & Grace, 2009).

Papasolomou (2006) proposed a typology to study co-branding strategy (see figure 2) that is based on the aims, the category and the effects of the strategy. Here he describes what drives companies to use co-branding strategy under these three headings:

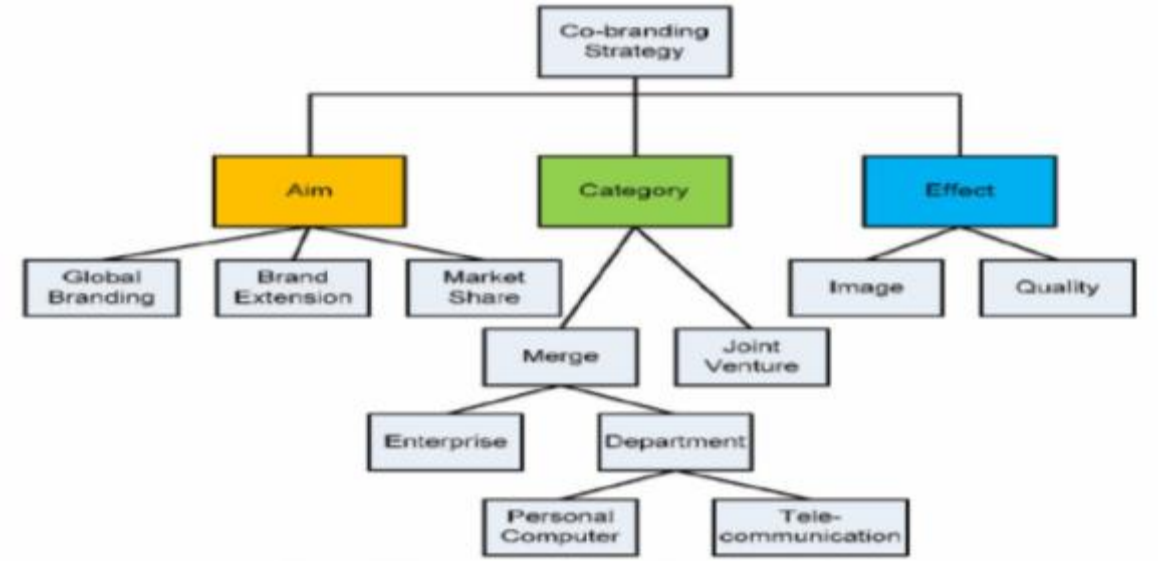


Figure 2 Co-branding typology

Source: Papasolomou (2006)

1. Objectives/aims:

Organisations that implement co-branding strategies have three aims which have similarities to branding strategies, being either global branding, which is similar to brand stretch, in that brand stretch targets new industries, whilst a global branding aim is to enter new markets geographically (Chul, 2009; Papasolomou, 2006). Brand extension under co-branding is similar to brand extension under branding strategy, with this strategy companies attempt to broaden their brand into new categories based on their own achieved brand equity (Chul, 2009; Papasolomou, 2006). Lastly, market share, similar to line extension in branding strategy, where products are extended in given categories. Market share as a co-branding strategy aims to penetrate the market in order to increase market share in a given category (Chul, 2009; Papasolomou, 2006). The co-branding aims are matched up to their branding strategies in table 3 below.

Table 3 Co-branding Objective & Branding Strategy

Co-branding Objective	Branding Strategy
Market Share	Line extension
Brand extension	Brand extension
Global branding	Brand stretch

Source: (Chul, 2009; Papasolomou (2006))

2. **Category**:

In terms of category, Papasolomou (2006) shows that an organisation can implement co-branding via either merger and acquisition (M&A) or through a joint venture. M&A requires that businesses buy an established brand by either merging the brand from the whole company level (enterprise) or the separate level (department). With regard to a joint venture, a company enters into a contract with a partner, instead of creating a new brand the two partners use each other's brands in their business venture (Papasolomou, 2006).

3. **Effects**:

Lastly, with regard to effects, Papasolomou (2006) states that from implementing co-branding, companies can expect improved brand image, improved product/product or both. This typology simplifies the business world into the one model; in real business contexts however co-branded strategies can be much more complex than the presented model therefore researchers should carefully consider the circumstance when it is applied to co-branding cases (Chul, 2009).

Whilst the above describes the nature of the co-branding strategy there are critical antecedents that are required in order for a successful co-branding strategy to be implemented, these are described below:

- **Transition Cost :** The two organisations have the same responsibility for both profits and liabilities (Chang, 2009).
- **Cultural alignment:** Consolidating companies from different countries creates many unknowns, particularly at the employee level (Chang, 2009).
- **Consumer Acceptance:** Consumer-centric design will drive a successful co-branding strategy(Chang, 2009).
- **Core Positioning:** The synergy (core competence) between two brands is extremely important (Chang, 2009).

- **Capital Restructuring:** both companies restructure the capital structures of the original corporations, that is, each member corporation must be accountable for the new joint-venture company, specifically the financial aspects (Chang, 2009).

Organisations are brands in their own right, thus communication decisions are not only about traditional product branding (usually conducted by mid-level managers), but corporate and organisational brand communication well, which generally is the domain of senior corporate managers. Whilst firms have recognised that if the promised cluster of values are to be realised, that employees play a critical role in delivering these (Thomson et al., 1999) organisations are progressively encouraging employees to embrace their role as brand ambassadors (Ceridwyn King & Grace, 2009) and communication feeds into employees embracing those roles. Creating a coherent perception of a company, particularly after a co-branded joint venture separation, in the minds of its various stakeholders is a major challenge(Martinez & De Chernatony, 2004). In multinational corporations it can be harder, especially through merger and acquisition activities, large organisations often comprise multiple subsidiaries and subsequently multiple brands and culture(Martinez & De Chernatony, 2004)..

Coordinating the signals various corporate subsets send out to their stakeholders is often impeded by numerous aspects including historic tensions between divisions, cultural differences, deficient management structures and unclear responsibilities or by spatial separation (Martinez & De Chernatony, 2004).. In coordinating the signals in the hopes of effective brand performance, a realised brand identity is important. A brand however cannot have an identity if it is not conveyed to employees in some way, and consequently a brand cannot be communicated efficiently by employees without a fully developed brand identity to be communicated. Organisations must therefore be purposeful in their communication. Communication decisions should be synergistic, include corporate brand communication with the already in place traditional product branding (Duncan & Moriarty, 1998).

In many organisations, the accountability for the brand is passed on to the marketing department (Burmann & Zeplin, 2005). However, so long as employees consider corporate branding issues irrelevant to their daily work they will take no interest in understanding the

brand identity, meaning that only after each and every employee recognises that they have a significant influence on the customer brand experience, can an understanding of the brand identity concept be communicated.

Before discussing the suitability of different communication media for creating an understanding of the brand identity concept, a clear definition of *what* to communicate is necessary. The medium in which the identity is communicated is important, however, prior to a medium it is necessary that a verbalisation of the brand identity concept that is comprehensible and appeals to all employees, from board member to assembly line worker is developed (Burmann & Zeplin, 2005). Further to this, the articulation of the brand identity concept has to meet two requirements prior to its communication, it has to accurately represent all the facets of the brand identity, and be memorable. Post this, the brand identity can be communicated internally via three distinct methods, each of which includes certain specific types of communication media/channels, they were identified by (Burmann & Zeplin, 2005) as being central communication, cascade communication and lateral communication (see Figure 3).

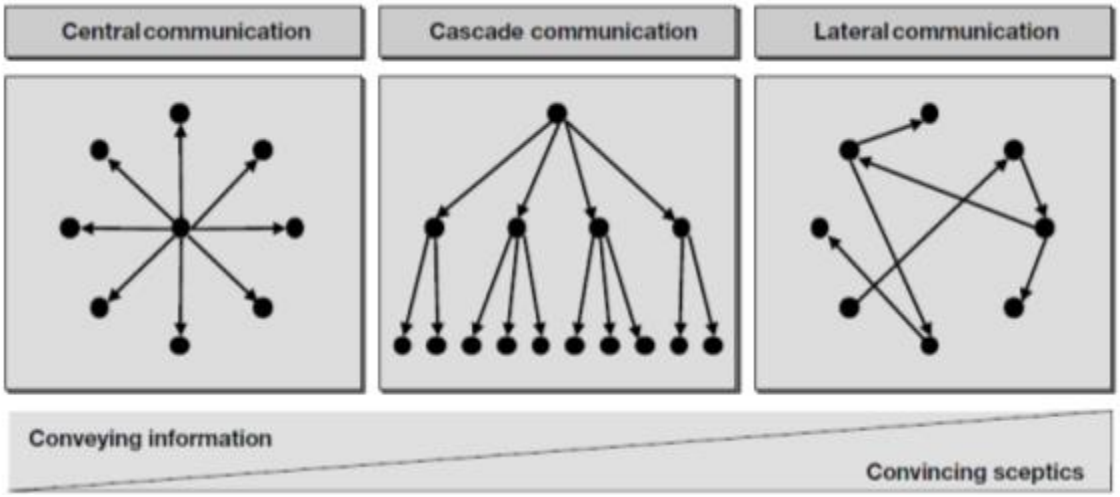


Figure 3 Three forms of internal communication

Source: (Burmann & Zeplin, 2005)

Central communication is distributed by a central department like the communication department and makes use of the push principle. Written materials (for example, house journals, newsletters, magazines) are distributed regardless of whether the target audience actually receives or interacts with the communication. This should be complemented by media, using the pull principle, such as an intranet (Burmann & Zeplin, 2005). Central communication is valuable for creating awareness and distributing general information that is updated about the brand. This does not exclude external communication which also affects employees (Burmann & Zeplin, 2005).

Cascade communication starts at the top of the firm and is filtered down through the hierarchy. It is an appropriate method for the "distribution of information, but is time consuming. Its advantage is that it is more convincing to sceptical employees, as information from a direct superior will probably be more relevant and more credible to an employee than information from a central department" (Burmann & Zeplin, 2005, p. 290). Lastly, lateral communication

describes the informal transmission of information between employees “regardless of their position in the hierarchy or division, commonly referred to as the office grapevine” (Burmann & Zeplin, 2005, p. 290). According to Burmann and Zeplin (2005), this is the most powerful type of internal communication in convincing sceptics, because information from peers is most likely to be remembered and to influence the decisions and actions of individuals. Lateral communication is, however, very difficult to control and exploit for internal brand communication purposes. One way of attempting to control this is through organisational storytelling, where “Stories and myths about how the organisation dealt with key competitors in the past, how it developed a new and exciting product and how it dealt with a valued employee spell out the basic mission and specific goals, reaffirming them the organisation’s view of itself, its own theory of how to get things done and how to handle internal relationships” (Burmann & Zeplin, 2005, p. 291). In order for effective brand communication, all three forms of communication must be used (Burmann & Zeplin, 2005).

In communicating the brand with the goal of positively impacting brand commitment, leadership at a Macro (CEO and executive board) and Micro level (personal leadership of executives throughout the organisation) plays an essential role as this reinforces credibility and urgency (Burmann & Zeplin, 2005).

Both have a large influence on internal and external brand perceptions, particularly on the macro level, thus “internal branding needs to start at the top with convincing the CEO and the executive board of the brand relevance and the brand identity concept, so that they act as role models” (Burmann & Zeplin, 2005, p. 292). It is therefore the duty of the management of organisations to ensure that employees fully understand the values of their brands and internalise these to the extent that they are aligned and committed to enacting the values (Thomson et al., 1999);(Tosti & Stotz, 2001), perceptions that employees have towards the brand of the firm can affect the customers' brand perceptions, this encourages an organisation to create employees' shared understanding of what and how the promise needs to be fulfilled so that customers experience the brand as expected (Khanyapuss Punjaisri et al., 2008). However, for employees to act as brand citizens, not only do not they need to understand their brand values and have the right skills and organisational support, but they also have to firmly believe in and internalise the brand values (C. Vallaster & De Chernatony, 2005).

2.3 **Brand Understanding**

In the marketing of physical goods, specifically the Fast Moving Consumer Goods market, it is the employees who must understand what the brand means and how it provides value to consumers, in order for its tangible as well as its intangible components to be developed and delivered accordingly (see figure 4).



Figure 4 Shared understanding influence on Brand Promise Delivery

Adapted from K. Punjaisri and Wilson (2007)

It is for this primary reason that internal brand management is seen as a significant strategic organisational initiative, as there is an inherent advantage in having an informed workforce that is both able and committed to delivering the brand promise (C. King & Grace, 2007). According to (Khanyapuss Punjaisri et al., 2008), customers (internal and external) are attracted to a brand because they expect to experience the associated brand values that are proposed via a promise, so that the possession of the particular brand reproduces their personal values. To this end, the promise must be satisfied when they are in contact with a brand (Khanyapuss Punjaisri et al., 2008).

Firms that enter co-branded joint ventures create a 'new brand,' in that a new corporate identity and brand with new meanings must be learnt by those employees. In this process, employees are required to either forget the prior brand meaning or understanding (employees from either of the companies forming a co-branding Joint venture) of the firm, or selectively continue with some associations from the old firm to the new co-branded venture, this is because a set of brand associations enable a brand to develop a clear identity. While certain customers may attach more importance to functional benefits, emotional value helps the brand stand above competitors (Ghodeswar, 2008).

In the process of a co-branding joint venture separation however, employees of the joint venture are required to re-learn the brand meanings, as the employees experience a corporate rebranding, i.e. the exercise of building anew a name characteristic of a differentiated position in the mind frame of stakeholders and a distinctive individuality from competitors (Muzellec, Doogan, & Lambkin, 2003). This can lead to misunderstanding or a lack of understanding of what the brand stands for as there has been misappropriation and convergence of brand meanings. The re-branding process includes internalisation and externalisation, that is, impacting employees (and firm culture), as well as externally (stakeholders) and the associations they have of the company, whether tangible or intangible (Muzellec & Lambkin, 2006). It is important that a firm undergoing a rebranding understands its core values, capabilities as well as its competitive advantages (Merrilees & Miller, 2008), that is, there should be emphasis on how and to what extent the corporate brand should be changed, thus, mitigating the brand revision (benefits and costs) and sensitivity to potential internal resistance to the brand change thus affecting brand buy-in (Merrilees & Miller, 2008). If employees cannot project the message that the company is trying to convey, that message will not resonate with customers (Boyd & Sutherland, 2006).

To this end, employees are an important constituent of the brand experience and are ultimately responsible for delivering on its promise, thus employees require a shared understanding of their brand's values and commitment to encourage brand supporting behaviour (C. Vallaster &

De Chernatony, 2005). An absence (of brand understanding) may lead to inadequate internal brand understanding and as a result affect delivery of external brand positioning and meaning. Brand Understanding however, is not only influenced by management and internal brand communication, organisational socialisation and the organisational environment assists employees to learn and identify with organisational values, beliefs as well as expectations. Organisational socialisation is considered important to help employees understand what brand behaviour is expected of them (C. King & Grace, 2012) and without such understanding, the likelihood that employees deliver on brand performance is significantly diminished. Employee behaviour and demeanour must be recognisable on brand (Van Gelder, 2005), in order for the promise to be delivered.

The understanding of brand promise is an important factor for the firm post a co-branding separation, particularly as there will be newer employee's joining the organisation who will need to learn the brand promise through organisational socialisation; When old and new employees understand and are aligned with the core values, they have a better appreciation of their roles and higher commitment to delivering the brand promise, resulting in higher brand performance (Chong, 2007). Therefore, should employees understand the company's goals and their own role in achieving them, they are more likely to want and be able to support these goals in their interactions with external stakeholders (Dortok, 2006).

Research by Schweiger and Denisi (1991) showed that in organisations where there is emphasis on internal communication, that this leads to greater understanding and commitment. Effective and consistent transmittal of messages reflecting the organisation's mission and values will accomplish two things: Firstly, it will enable employees to know, understand, and experience the desired brand image and secondly, it will uphold the psychological contract that exists between the organisation and the individual employee (Miles & Mangold, 2005). Psychological contracts lie at the foundation of employment relationships (Morrison & Robinson, 1997). Internal, employee directed communication, however, is not solely enough to create brand understanding, employee receptiveness is key to brand meaning understanding in order to "maximise the likelihood of achieving successful outcomes, employees must be active in seeking

out information, have a desire to understand not only their jobs but their organisations as well, and be prepared to actively engage in the provision of feedback to their superiors" (C. King & Grace, 2012, p. 476). Whilst not a research question of this paper, organisational culture and culture add significant complexity to the process of developing a shared brand understanding, that is, an understanding of how communicative, cognitive, and affective processes differ due to cultural influence is key for a successful process of shared brand understanding (C. Vallaster & De Chernatony, 2005). The core argument is that as brands externally are clusters of functional and emotional values, internally brands should be driven by strategies that emphasise employee understanding about brand strategy and staff commitment (Thomson et al., 1999).

The main target for a branding strategy is usually the end-customers (companies or consumers), and brands have significant impact on relationships with all stakeholders of the company (Bengtsson & Servais, 2004). Employees are considered as a trusted source of information about an organisation and its service or products, this is because they embody the corporate brand and interactions between them and external stakeholders and communicate the brand's values as much as traditional marketing communications (Chong, 2007). The decisive role of employees in brand building is due to the fact that most, if not all, sources of brand identity are based on the decisions and actions of employees (Burmann & Zeplin, 2005). In services, (Kimpakorn & Tocquer, 2010) have suggested that differentiation can be created through clear brand identity (with a recognised set of values), brand personality and brand attributes as well as promises that distinguish the brand from its competitors. This differentiation is usually more difficult to achieve in a product or service category because it requires an alignment between brand identity, company culture and the brand image as perceived by stakeholders (Kimpakorn & Tocquer, 2010).

To this end, organisations have embraced the knowledge that employee efforts lie at the heart of organisational success and internal brand management has been promoted to be the means to ensure employees are attitudinally and behaviourally ready to deliver on the firm's brand promise (C. King & Grace, 2012) as there is a association between internal communication and

the delivery of brand promise (Chong, 2007). Brands act as a bond of identity for employees (Gotsi & Andriopoulos, 2007), when employees cannot fulfil the brand promise, stakeholders or customers trust in the brand could be jeopardised (Khanyapuss Punjaisri et al., 2008). The ability of a brand to deliver its promise consistently, can significantly influence (positively or negatively) the strength of its relationships with customers, as customers do not trust the brand when the brand does not deliver on its promises, which is usually an indication of a misalignment between the brand identity as well as the organisational culture (Kimpakorn & Tocquer, 2010).

Prompting employee attitudes and behaviour should be an integral part of a company's overall branding strategy (Boyd & Sutherland, 2006), In the process of a co-branding joint venture separation this becomes ever more important as employees must be re-taught what the brand promise is, as a new brand promise must be created and communicated to the internal constituents and communicated to the external constituents. Internally the brand promise must be known and understood, as brand success could be improved if employees of the company owning the brand can live up to the brand promise that is communicated through mass media campaigns (Henkel, Tomczak, Heitmann, & Herrmann, 2007). Furthermore, only those companies, which are able to create, communicate as well as keep a inimitable and differentiating brand promise through behavioural branding, have the prospect to reach an undisputed positioning in the customer's relevant set (Henkel et al., 2007).

2.3.1.1 Proposition 1

Employee shared brand understanding will be positively influenced by consistent internal brand meaning communication and employee receptiveness post a co-branding separation, the lack of which will lead to fragmented brand understanding.

2.3.1.2 Proposition 2.1

Brand Promise understanding will be fragmented in the firm following a co-branding separation.

2.3.1.3 Proposition 2.2

Employees who were part of the co-branding joint venture will have a different brand promise understanding than to those employees who have recently joined the post co-branded organisation.

2.4 **Brand Commitment**

Commitment can be described as the "willingness of social actors to give their energy and loyalty to a social system or an effective attachment to an organisation apart from the purely instrumental worth of the relationship. It is also believed that commitment was developed through the process of identification in which a person experiences something of some ideas as an extension of the self" (Rashid, Sambasivan, & Johari, 2003, p. 713). According to (Meyer & Allen, 1997), a committed employee stays with the organisation through thick and thin, attends work regularly, puts in a full day or more, protects the company's assets and shares it's goals, hence having a committed staff would be an added advantage to an organisation.

Describing or measuring commitment, however, can be difficult as different situations can evoke different levels of commitment in attempting to resolve the different ways of measuring commitment. Allen and Meyer (1990) suggested that there are three types of commitment, being:

1. Continuance;
2. Normative; and
3. Affective

"The **Continuance** commitment: relates to commitment based on the costs the employees associate with leaving the organisation, therefore, in this type of commitment, the fewer viable alternatives employees have, the stronger will be their continuance commitment to their current employer" (Rashid et al., 2003, p. 714).

"The **Normative** commitment: relates to employees' feelings of obligation to remain with the organisation, this type of commitment will be influenced by an individual's experiences both prior to cultural socialization and following organisational socialization entry into the organisation" (Rashid et al., 2003, p. 714).

"The **Affective** commitment refers to employees' emotional attachment to, identification with, and involvement in, the organisation, in other words, it refers to the extent of emotional attachment of a person to the organisation. This attachment could be due to one's role in relation to the organisational goals and values, or to the organisation for its own sake" (Rashid et al., 2003, p. 714).

This study is more concerned with affective commitment, as described by Allen and Meyer (1990). In other words, if the employee perceives the relationship with the organisation to be a positive one, worthy of maintaining, then the employee will have a high level of commitment to the organisation. Commitment is therefore considered to be a key variable in determining organisational success, as an employee's feeling of belonging influences their ability to go above and beyond their contracted duties in order to achieve the organisation's goals (Ceridwyn King & Grace, 2009). In researching commitment, it has been shown that it has an impact on job performance, turnover, pro-social behaviour and turnover intentions or likelihood and absenteeism (Rashid et al., 2003; Siu, 2002), thus its increasing importance in the 21st century.

The commitment of employees in the organisation is also essential to ensure the successful implementation of the organisational policies and plans. While shaping the desired values or culture that is important to the organisation, "ensuring the necessary level of commitment among employees or managers is unequivocally important so as to ensure successful implementation of the organisational strategies and plans of actions" (Rashid et al., 2003, p. 709). Brand commitment is a psychological state that characterizes the employee's relationship with the firm. This, in turn, has implications in terms of continuing his or her membership in the organisation (C. King & Grace, 2012; Lin & Huang, 2012; Rashid et al., 2003).

To this end, managers of employees in organisations that have undergone a co-branding separation should be concerned with the level of employee brand commitment as employees that are not committed may in turn be tempted to leave the organisation during the transition phase from co-branded joint venture to a singular branded venture. (Boyd & Sutherland, 2006)

believes that organisations attempting to achieve employee commitment to living the brand of the organisation, must create an emotional connection with employees in order to encourage them to align their values and behaviours with that of the company's brand.

The commitment of employees has become a critical management issue because of the benefits that are assumed to flow from it, an example of which being improved performance (Fenton-O'Creevy, Winfrow, Lydka, & Morris, 2002). Employee brand commitment, is an antecedent to effective job performance and has been well established in literature C. King and Grace (2012). believe that commitment results in employees being willing to make substantial efforts on behalf of the organisation, furthermore, employee brand commitment is considered a prerequisite for employees to be brand champions, that is, delivering the brand promise (C. King & Grace, 2012). Brand commitment is also defined "as the degree to which employees identify and are involved with their brand, are willing to exert additional efforts to achieve the goals of the brand" (Kimpakorn & Tocquer, 2008, p. 533) and are interested in remaining with the firm. Thus, increased brand commitment can lead to desirable brand citizenship behaviour by employees.

Burmann and Zeplin (2005) state that brand citizenship behaviour is not "only that part of organisational citizenship behaviour that is brand-oriented, but also goes beyond the scope of organisational citizenship behaviour as it also includes externally targeted behaviours, while organisational citizenship behaviour is generally considered to be intra-organisational" (p. 282) (see figure 5 for a visual representation).

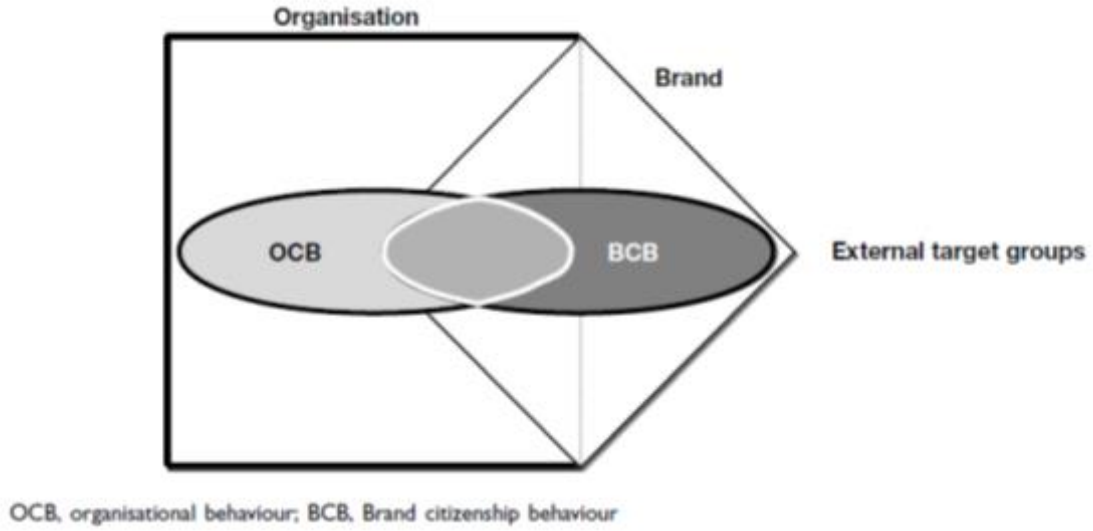


Figure 5 Relationship between the constructs of organisational citizenship behaviour and brand citizenship behaviour

Source: (Burmann & Zeplin, 2005)

Brand citizenship behaviour is a cumulative construct which defines a number of generic employee behaviours that enhance the brand identity. (Burmann & Zeplin, 2005) state that generic behaviours can be categorised into the following seven commonly identified dimensions:

(1) Assisting behaviour (voluntarily helping others with, or preventing the occurrence of, work related problems) (Burmann & Zeplin, 2005);

(2) Organisational compliance (adherence to the organisation's rules, regulations and procedures, even when no one witnesses or monitors it) (Burmann & Zeplin, 2005);

(3) Individual initiative (engagement in task related behaviour at a level that is beyond generally expected levels, that it reaches a voluntary stage) (Burmann & Zeplin, 2005);

(4) Sportsmanship (willingness to tolerate the inevitable inconvenience and impositions of work without complaining) (Burmann & Zeplin. 2005);

(5) Organisational loyalty (promoting the organisation to outsiders) (Burmann & Zeplin, 2005);

(6) Self-development (voluntary improvement of knowledge, skills and abilities) (Burmann & Zeplin, 2005); and

(7) Civic virtue (macro-level interest in the organisation as a whole and active participation in its governance, in monitoring its environment and in looking for its best interests) (Burmann & Zeplin, 2005).

Burmann and Zeplin (2005) state that there are three drivers of brand commitment, (1) compliance, (2) identification and (3) internalisation.

"Compliance with the brand identity describes the adoption of certain behaviours that are consistent with the aspired brand identity in order to gain specific extrinsic rewards or to avoid penalties" (Burmann & Zeplin, 2005, p. 285). It is simply comprehensible and it has been empirically proven that commitment based on compliance does result in behaviour that exceeds role expectations. However it will ensure observance to rules, which is a necessary basis for brand citizenship behaviour (Burmann & Zeplin, 2005). Compliance is driven by the organisational structure, incentive systems that determine formal rewards, as well as, sanctions, and the organisational culture that determines informal rewards and sanctions through social control (Burmann & Zeplin, 2005).

"Identification with the brand identity refers to the acceptance of social influence due to a sense of belonging to the group determining the brand experience, and a perception of being intertwined with the group's fate — i.e. its success or failures are perceived as one's own" (Burmann & Zeplin, 2005, p. 285). Identification relies on the brand identity being perceived as a coherent group identity, it is derived from Social Identity Theory, "according to which the individual's identity is comprised not only of a personal identity but also of a social identity encompassing salient group classifications (Burmann & Zeplin, 2005, p. 285)." Identification that

is strong has the ability to induce brand citizenship behaviours due to a feeling of personal obligation to the brand as a group, the group of direct colleagues, the CEO or the immediate superior (Burmann & Zeplin, 2005). Identification can be progressed through stress on brand uniqueness and competition and through compelling leadership, as well as, individual mentorship, and through a strong organisational culture with common rituals and symbols (Burmann & Zeplin, 2005).

"Internalisation of the brand identity delineates the appropriation of core brand values into one's self-concept as guiding principles for one's actions. The self-concept is the totality of an individual's thoughts and feelings having reference to himself, including traits, competences and values" (Burmann & Zeplin, 2005, p. 285). Internalisation is advanced through organisational socialisation, a high congruence between the individual's values, and the brand values has yet to be formed prior to the new employee's entry into the organisation. Burmann and Zeplin (2005) state that the socialisation process is driven by an informal diffusion of values through colleagues and superiors as well as by formal value communication. The three drivers of commitment are not interdependent, the brand commitment of each individual can be built on any one of the dimensions or on all three, whilst the dominance of one or the other dimension might vary from person to person (Burmann & Zeplin, 2005).

The human resource management role in organisations continues to grow in importance. This is because the academic and business communities have realised the impact that informed, well trained and motivated employees can have on the successful development and implementation of strategic plans (Aurand et al., 2005).

Employee brand commitment is related to the employees' perception regarding the way in which organisation constituents perceive their brand and the manner in which the employees experience the employer brand (Kimpakorn & Tocquer, 2008). With regard to the elements affecting employees commitment itself, studies have found that "job satisfaction, extrinsic rewards, intrinsic rewards, job characteristics, upward and downward communication, leadership, promotion satisfaction, trust in supervisors and employees' perception of

organisational values are predictors of commitment" (Kimpakorn & Tocquer, 2008, p. 539). This leads credence to the role of Human Resources Management in the creation of brand commitment in employees, that is, new employees and employees that were part of the co-branded venture. Furthermore it has been proposed by (Boyd & Sutherland, 2006) that firms which successfully obtain employee commitment to living the brand of the organisation have the following characteristics:

1. The Firms make employee branding a key business priority;
2. The Firms communicate and operate according to a clear set of values to their employees; and
3. The companies compete for talented employees and focus on their needs (Boyd & Sutherland, 2006).

Employees who are in agreement with an organisation's brand are more likely to act in ways that support the way the organisation hopes that external constituencies perceive it and its products/services (Aurand et al. (2005). The experience of external stakeholders in their exchanges with an organisation and its products or services are dependent on internal factors such as, internal service quality, employee satisfaction, employee retention and employee productivity (Aurand et al. (2005). In establishing effective systems for the management of human resources, an organisation may engage its employees in its mission and plans (strategic, tactical and operational) (Burmann & Zeplin, 2005). This engagement of employees in the brand, leading to their representation of brand qualities to outside stakeholders is often referred to as internal branding, employee branding, or internal marketing (Aurand et al., 2005), which is the domain of human resources management.

Boyd and Sutherland (2006) believe that firms attempting to achieve employee commitment to living the brand of the firm "need to create an emotional connection with employees to make the brand come alive for them in order to persuade them to align their values and behaviours with that of the company's brand" (p. 10). This is in line with human resource management, where the concern is the achieving of employee commitment which Das (2003) proposes is

driven by six factors: reward, recognition, relationships, opportunity, environment and leadership. Das (2003) goes on to state that engagement or commitment consists of three key elements: 'say' (where employees speak positively about where they work); 'stay' (not only do employees stay, but show this by wanting to contribute to the good of the group) and 'strive' (where an employee goes the 'extra mile' in contributing to the organisation). These factors are closely related to employees acting as brand ambassadors.

2.4.2.1 Proposition 3.1

Employee brand commitment will decrease in the aftermath of a co-branding joint venture separation.

2.4.2.2 Proposition 3.2

Employees who remain with the organisation post a co-branding joint venture separation will have higher brand commitment versus newer employees.

2.5 **Internal Marketing/Internal Branding**

Internal marketing has been suggested as a suitable method for the communication of the brand internally to the organisation. By concentrating on building successful relationships inside the business with its employees, Internal marketing is seen as a precondition for profitable interactions in the marketplace (Gapp & Merrilees, 2006). This argument is extended by suggesting that internal marketing is ideally a holistic approach emphasising marketing as a link "to communication, service and quality, which in recent times has seen an evolution in both IM and branding research. Internal Marketing is a mechanism for developing appropriate organisational relationships and cultures" (Gapp & Merrilees, 2006).

The internal marketing concept requires that an organisation's employees are its first market (Berthon, Ewing, and Hah (2005). Internal marketing can be considered "the communication

platform for the employment relationship and therefore the platform for obtaining employee commitment to living the brand of the organisation" (Boyd & Sutherland, 2006, p. 11). Schweiger and Denisi (1991) showed that in organisations where there is a lot of emphasis on internal communication, that this leads to greater understanding and commitment (Thomson et al., 1999) in other words, when brand values are well communicated and embraced by employees, employees are more likely to show their commitment to the brand by aligning their behaviour accordingly (Kimpakorn & Tocquer, 2008).

Furthermore, in conjunction with Human Resources, Internal Marketing has a number of organisational benefits, including higher levels of employee satisfaction, improved retention rates, reduced absenteeism and wider acceptance of change programmes. Consequently internal marketing can assist in generating higher levels of employee brand commitment that can ultimately translate into incremental sales, as well as, profits. Internal Marketing thus has an important role to play in obtaining employee brand commitment (Boyd & Sutherland, 2006) and as a result it has been stressed by several authors as a means of providing effective competitor differentiation (Lomax & Mador, 2006).

Internal branding, according to (Bergstrom, Blumenthal, & Crothers, 2002), refers to three things: (1) communicating the brand effectively to the employees; (2) convincing them of its relevance and worth; and (3) successfully linking every job in the organisation to delivery of the 'brand essence'(Berthon et al., 2005). This will lead to a brand commitment which does not emerge all by itself, together with a review of existing research. Burmann and Zeplin (2005) developed a holistic internal brand management model with three central levers for generating commitment and four context factors for the evolution of brand commitment and brand citizenship behaviour (see Figure 6).

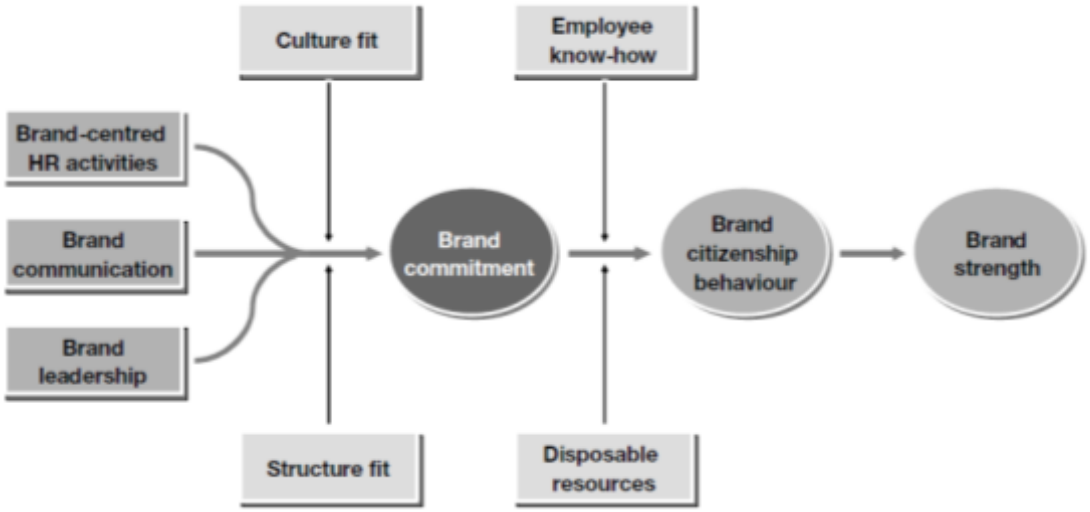


Figure 6 A holistic model for internal brand management

Source: (Burmann & Zeplin, 2005)

Organisations can no longer maintain barriers between functions and departments in the current century, as success is driven by integration between related functions within the organisation, namely: production, sales and distribution, services, advertising, sales promotion, product planning as well as market research – to achieve the firms' business objectives (Pervaiz K Ahmed, Rafiq, & Saad, 2003). Instead, organisations need to structure their operations around core business processes, which are driven from the end customer point of view (Pervaiz K Ahmed et al., 2003). Internal Marketing is based on the understanding that no single management function is effective if it operates in isolation, several operations and employees with different skill-sets have to be actively involved in the creation and delivery of products and services, these cross-functional activities and the employees who perform them all have an influence on the outcome, therefore, the implication of this is management must ensure that every employee in all parts of the organisation are involved in the delivery of quality throughout the customer-supplier chain (Pervaiz K Ahmed et al., 2003)

Consequently, Internal brand building/marketing as a process to align staff's behaviour with brand identity is receiving increasing attention (Christine Vallaster & de Chernatony, 2006), as it can be considered the communication platform for the employment relationship and therefore the dais for obtaining employee commitment to living the brand of the organisation (Boyd & Sutherland, 2006). Internal Marketing Orientation has been theorized as a specific set of managerial behaviours, that are represented through three major information dimensions these being, internal information generation, internal dissemination of information and internal marketing (Ferdous & Polonsky, 2012); Its implementation has been operationalised by recent studies through the internal market orientation construct. Internal market orientation is an instrument for encouraging a people orientation into an organisation and a precondition for improving and strengthening the quality of public services among employees within public and non-public organisations (Papasolomou, 2006). Papasolomou (2006) contended that internal branding is key in influencing employees to deliver the brand promise on customer's perceived brand expectation and is created through the practice of internal marketing. Furthermore, the progressive practice of internal branding fosters a shared brand understanding amongst employees that assists in creating a committed workforce who deliver on the brand promise.

Communication is an essential activity in the functioning of all processes in a firm; however, it is critical in highly cross-functional processes (Rodrigues & Pinho, 2012). One of the most common Internal Marketing applications is in the development of internal communication strategies, as internal branding initiatives need support from a communication strategy. This takes into account of both external and internal communication practices (Khanyapuss Punjaisri et al., 2008), when this occurs in parallel (internal and external marketing communications), advertised brand promises have a better chance of being fulfilled to the required level of performance because employees are better prepared to perform them (P.K. Ahmed & Rafiq, 2003).

Rodrigues and Pinho (2012) further expound on this by stating that “if employees lack customer-conscious attitudes and behaviours and if internal systems and processes are not focused on customer-conscious objectives, marketing approaches directed exclusively at external customers are likely to fail” (Rodrigues & Pinho, 2012, p. 287). It must be stated however, that “leadership facilitates internal brand building through initiating and facilitating behavioural changes consistent with the desired brand identity” (Christine Vallaster & de Chernatony, 2006, p. 762).

The implementation of internal marketing involves the use of marketing techniques inside the firm and has been associated with specific organisational objectives, meaning, its effectiveness should correspond to successful marketing initiatives (Gounaris, 2006), with internal and external consequences for the firm (Lings & Greenley, 2005). However, from an internal perspective, it is noteworthy that managers’ behaviour towards their subordinates influences their attitudes and behaviours (P.K. Ahmed & Rafiq, 2003) impacting, for instance, on job satisfaction (Lings & Greenley, 2005) and organisational commitment (Rodrigues & Pinho, 2012).

An internal marketing orientation is important for an organisation, particularly an organisation that is establishing itself from a prior partnership, employee alignment is necessary for the organisation to succeed. An inclusive internal branding process allows management to “positively influence employees' identification with, commitment to, and loyalty to the brand, which implicates the strength of the internal relationships” (Khanyapuss Punjaisri et al., 2008, p. 420). Internal marketing can therefore generate higher levels of employee brand loyalty, that if channelled correctly can translate into incremental sales as well as profits. Internal marketing therefore has a key role to play in obtaining employee commitment to living the brand of the organisation (Boyd & Sutherland, 2006) as internal marketing generates involvement and commitment to organisational programmes. Involvement and commitment together with clear sense of purpose are a criterion for the coherence and focus that are ultimately required to produce successful outcomes (Pervaiz K Ahmed et al., 2003).

Yin (2003) provides empirical evidence, supporting that internal branding that coordinates training and internal communications on an on-going basis has a positive impact on employees' brand identification, brand commitment, and brand loyalty. In particular, employees' brand identification was found to mostly be influenced by internal branding.

Their study also supported previous studies that internal branding impacts on the extent to which employees identify with, are committed to, and loyal to the brand (Yin, 2003). Also, this study provides empirical evidence supporting the assumption that internal branding applies certain degrees of influences on the extent to which employees act in ways that are constant with the delivery of the brand promise (Yin, 2003). The consequence of this study to management is that it highlights the importance that internal branding should include knowledge from both marketing in terms of internal communication and human resource in terms of training and/or employees' development programmes, however, marketing and brand managers may be adept at communicating the messages externally, but not in projecting it internally. At the heart of the problem is a lack of adequate models for the coordinated marketing-HR involvement in internal brand building (Aurand et al. (2005).

2.5.1.1 Proposition 4

The internal marketing orientation of an organisation, post a co-branding joint venture separation will not be a formal process resulting in inconsistent internal brand experience.

2.6 **Brand Knowledge**

The dynamic landscape of the 21st century marketplace has created a competitive incentive amongst firms to consolidate, reconcile and create their knowledge assets as a means of creating value that is sustainable over time (Gold, Malhotra, & Segars, 2001; Hoon Song, Kolb, Hee Lee, & Kyoung Kim, 2012). This is because knowledge is a resource that is valuable to an organisation's ability to innovate and compete within the marketplace. It exists in the individual

employees and also in a combined sense within the organisation (Bollinger & Smith, 2001). In other words, knowledge and its creation, is an acute factor affecting an organisation's ability to become and remain competitive in the 21st century marketplace (Bollinger & Smith, 2001). Employees, post a co-branding separation, must create a new positioning and brand promise for the firm, ultimately, employees can better deliver on the brand promise if they fully understand their positions within the company and understand the brand positioning, to this end shared knowledge can be of assistance, however, the firm must be in a position of creating knowledge in the context of the brand promise, by shaping the first-hand work experiences of its employees and then extrapolating this experiential learning in a manner/s that allows it to be shared throughout the organisation and that lead to the accomplishment of organisational objectives (Bird, 1994).

The concept of organisational learning, the learning organisation and its practices recognise a wide range of factors, such as organisation strategy, culture, structure, absorptive capacity, problem solving ability, employee participation, etc. determining the learning results (Bergstrom et al., 2002). Nonaka (1991) describes organisational learning as the procedure of continued innovation through the formation of new knowledge. It is a continual process that takes place as employees engage in their work. Nonaka (1991) states that organisational learning originates from the iterative process of articulation as well as internalisation. Articulation occurs when an employee's tacit knowledge is captured as explicit knowledge and internalization occurs when this captured explicit knowledge is then transformed into another employee's tacit knowledge. As a result, organisational learning occurs at the juncture of tacit and explicit knowledge during the interaction of the various employees, departments or teams within a firm (Meso & Smith, 2000).

Furthermore, the speed of learning and knowledge accumulation within an organisation depends on how employees, firms and others in networks share their knowledge with one another (Fletcher & Harris, 2012). In relation to brand commitment, in order to enable employees to exhibit positive attitudes and be capable of delivering the articulated brand

promise, information and knowledge must be provided to them that demonstrates the linkage between the externally promoted brand identity, or promise, and their roles and responsibilities (Ceridwyn King & Grace, 2009). (Wang & Ahmed, 2003) state that the concept of organisational learning has evolved to cover various aspects of organisational management and the literature intends to provide a holistic description and create a proliferation of definitions. They identify five foci of the concept and its practices. These are summarised in table 4 below under the guidelines of individual learning, focus on process or systems, focus on knowledge management, focus on continuous improvement and focus on culture or metaphor.

Table 4 summary of the organisational learning concept and its practices

Focus	Concept of Organisational learning	Practices
Individual learning	Organisational learning occurs when individuals within an organisation experience a problematic situation and inquire into it on the organisational behalf.	Staff training and development
Process or system	Organisation learning is the process whereby organisations understand and manage their experiences.	Enhancement of information processing and problem solving capability
Knowledge management	Organisational learning is the changes in the state of knowledge. It involves knowledge acquisition, dissemination, refinement, creation and implementation: the ability to acquire divers information and to share common understanding so that this knowledge can be exploited and the ability to develop insights, knowledge and to associate among past and future activities	Facilitation of interaction and strengthening of knowledge base.
Continuous improvement	A learning organisation should consciously and intentionally devote to the facilitation of individual learning in order to continuously transform the entire organisation and its context.	The adoption of Total Quality Management practices

Culture or metaphor	A learning organisation should be viewed as a metaphor rather than a distinct type of structure, whose employees learn conscious communal processes for continually generating, retaining and leveraging individual and collective learning to improve performance of the organisation system in ways important to all stakeholders and by monitoring and improving performance	Creation and maintenance of learning culture: collaborative team working, employee empowerment and employee involvement.

Source: (Wang & Ahmed, 2003)

Organisation culture can be defined as the "totality of basic assumptions, values and norms that are shared by the organisation's members and transferred to new members, and that determine their perception, interpretation patterns, thinking, decision making and behaviour" (Burmann & Zeplin, 2005, p. 293). Due to the large influence of corporate culture on individual attitudes and behaviours, there has to be a brand identity and culture fit, else the brand identity concept will not be accepted amongst the organisations employees (Burmann & Zeplin, 2005). A brand identity that is lived by the members of the organisation is based on values that correspond with those of the corporate culture (Burmann & Zeplin, 2005). This infers that the corporate culture has to be considered when developing the brand identity concept. A strong corporate culture will support consistency of the brand identity due to its informal coordination impact through social control (Burmann & Zeplin, 2005).

To this end, a strong, positive organisational culture is important to promoting learning, development and the sharing of skills, resources, and knowledge (Bollinger & Smith, 2001). In this study, organisational culture is described as the design of shared values and beliefs that assists individuals to understand organisational working and thus provide them norms for behaviour in said organisation, that is, organisational culture is related to the causality that members impute to organisational functioning (Deshpande & Webster Jr, 1989). Nonaka (1991) studied organisational knowledge creation through the use of a knowledge conversion process in which individuals' tacit knowledge can be transformed into organisational explicit knowledge for application in the workplace (Hoon Song et al., 2012).

There are four phases in the process, these being: (1) share individuals' knowledge (that is, socialization of tacit knowledge), (2) externalise shared knowledge (externalise tacit knowledge into explicit knowledge), (3) combine and justify knowledge (combine explicit knowledge), and (4) internalise explicit knowledge (internalise explicit knowledge into tacit knowledge) for

organisational forthcoming applications (Hoon Song et al., 2012); Figure 7 below summarizes all four phases with the key actions of each phase.

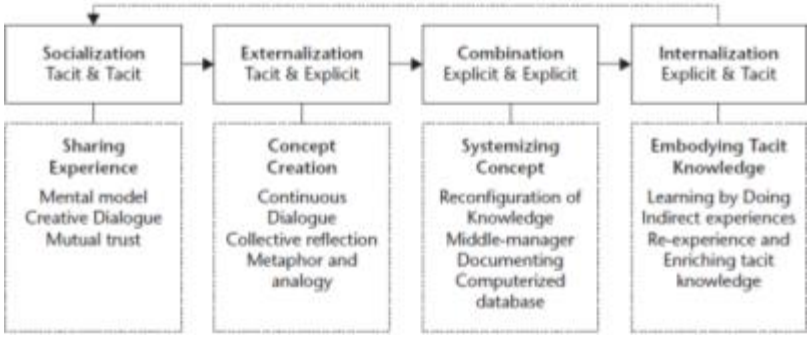


Figure 7 Knowledge Creation Practices and Key Actions

Source: Hoon Song et al. (2012)

Finally, employees' level of brand commitment has an impact on performance enhancement in terms of organisational knowledge creation, which "requires employees' diverse and creative thinking processes as facilitated by constructive communication and collaboration" (Hoon Song et al. (2012), p. 90.

2.6.2.1 Proposition 5.1

Organisation learning in a firm, post a co-branding joint venture separation will be mainly driven by employees who were part of the co-branded joint venture.

2.6.2.2 Proposition 5.2

Post a co-branding joint venture separation; the demerging firm will experience a cultural change, which will be viewed negatively by employees.

2.7 **Conclusion of Literature Review**

This chapter has analysed the subjects that concern the main research problem, which is to understand the impact of co-branding joint venture separation on the brand commitment of employees. The literature presented an investigation of co-branding as a management strategy as well as the creation of brand commitment and recognised the major factors that impact on the brand commitment of employees, these being: (1) Brand understanding; (2) Brand Promise; (3) Internal communication; (4) Human Resource Management; (5) Internal marketing; (6) Internal marketing orientation; and (7) Organisational learning and knowledge. The marketing literature concerned does not, however, address these issues in the context of a co-branding separation, or specifically within the context of a foreign firm entering an emerging economy through a joint venture. The following research propositions, extrapolated from the concerned literature aimed to form a basis for understanding of employee brand commitment and its factors, in the context of a co-branding separation as a basis for future research:

Employee shared brand understanding will be positively influenced by consistent internal brand meaning communication and employee receptiveness post a co-branding separation, the lack of which will lead to fragmented brand understanding.

Brand Promise understanding will be fragmented in the firm, following a co-branding separation.

Employees who were part of the co-branding joint venture will have a different brand promise understanding than to those employees who have recently joined the post co-branded organisation.

Employee brand commitment will decrease in the aftermath of a co-branding joint venture separation.

Employees who remain with the organisation post a co-branding joint venture separation will have higher brand commitment versus newer employees.

The internal marketing orientation of an organisation post a co-branding joint venture separation will not be a formal process resulting in inconsistent internal brand experience.

Organisation learning in a firm, post a co-branding joint venture separation will be mainly driven by employees who were part of the co-branded joint venture.

Post a co-branding joint venture separation; the demerging firm will experience a cultural change, which will be viewed negatively by employees.

3 CHAPTER 3: RESEARCH METHODOLOGY

The following chapter presents the research design and methodology that was employed in this study. The study made use of the qualitative research approach; Sampling procedures, ethical considerations, data collection as well as the analysis process, and the limitations of the study are discussed in this chapter.

3.1 **Introduction**

Social research provides three types of research methods (1) qualitative, (2) quantitative and (3) mixed research methods (Creswell, 2012). In this study, a qualitative research method in the form of a case study research has been used against other social research methods. This was done after careful consideration by the researcher, specifically with regard to the relevant sample, research question and, in particular, the context of the study which favoured a qualitative case study approach.

As argued by (Baxter & Jack, 2008; Thomasson & Janusonis, 2012), case studies are relevant when investigating phenomena related to individual, group, organisational and social events shaped by actions, beliefs, experiences and values. Thomasson and Janusonis (2012) state that a case study which goes thoroughly into an issue is the most suitable approach to answer to the questions of what, how and why in the most detailed way possible. Case study research has received a lot of criticism, due to its lack of thoroughness (Yin, 2009). This is due to the fact that validity, reliability and generalisation are quite difficult to ascertain and thus have been questioned (Tobin & Begley, 2004). The perceived unempirical method and the triangulation requirements, access and time, as well as the lack of controls and the complications of context and temporal dynamics are the main disadvantages of case study research (Meredith, 1998).

By applying a rigorous approach to case study research, however, many benefits can be derived that other methods will not necessarily be able to, such as, but not limited to:

1. Rich and explanatory data (Burmann & Zeplin, 2005)
2. The ability to capture direct quotations about respondent's personal, real life experiences.
3. The ability to combine other methods of data collection such as ethnography and participant observation data.
4. The generation of evidence that can complement experiments.
5. Meaningful and culturally salient to the participant (Burmann & Zeplin, 2005).
6. Unanticipated by the researcher (Burmann & Zeplin, 2005).
7. Another advantage of qualitative methods is that they allow the researcher the flexibility to probe initial participant responses – that is, to ask why or how (Burmann & Zeplin, 2005) .

In addition to identifying that a case study was appropriate for the study conducted and presented, it was prudent for the research to decide whether or not conducting a single case study was sufficient or if a better understanding of the phenomenon would be gained through conducting a multiple case studies. The researcher considered the uniqueness of the situation/environment, proximity to the data, ability to attain required data (i.e. permission from concerned sample to conduct research), lack of similarity to the unique explored case and timing restrictions to collection of data. Post analysis of the variables, difficulties and appropriateness of the method, the researcher deemed that a single case study would be satisfactory for the stated objectives of the research as it is a unique situation where a holistic single case study will provide rich data to be analysed (Yin, 2003).

3.2 **Research methodology / paradigm**

The research question was satisfied with the use of a descriptive qualitative research design to explore employee brand commitment post a co-branding separation, this is as a result of the realism paradigm in the context of which the research report is written. As the information sought is characterised by the following:

(1) Produce qualitative data (Klopper, 2003);

(2) Make use of a relatively small sample (Klopper, 2003);

(3) Is concerned with explanation and exploration (Klopper, 2003);

(4) The data is subjective (Klopper, 2003);

(5) The data generalises from one setting to another (Klopper, 2003);

(6) The reality is subjective and multiple (Klopper, 2003);

(7) The researcher interacts with the respondents (Klopper, 2003);

(7) The data collected may be value laden and biased (Klopper, 2003) and finally;

(8) It will be an inductive process with simultaneous shaping (Klopper, 2003)

Qualitative research is a form of scientific research, which seeks to answer a question, by systematically using a predefined set of procedures to answer the question and produce findings that were not determined in advance. In addition, qualitative research seeks to understand a given research problem or topic from the perspectives of the local populace that it involves and is effective in obtaining culturally specific information about the values, opinions, behaviours, and social contexts of particular populations through a holistic framework (International, Mack, & Woodsong, 2005).

In contrast, quantitative research is a formal systematic approach which seeks to confirm hypotheses about phenomena. The research instrument uses a more rigid approach of eliciting and categorizing responses to questions making use of structured methods such as questionnaires, surveys and structured observation. It is analytical in nature and most importantly, participant responses do not influence or determine how and which questions researchers ask next (International et al., 2005). To this end, a quantitative approach was not

applicable to answer the proposed research questions as they were exploratory in nature, in other words, this research was conducted to explore a situation in which the intervention being evaluated has no clear, single set of outcomes (Yin, 2003).

3.3 **Research Design**

The report made use of a qualitative research approach as it ensures that qualitative employee perceptions of the subject matter are captured. According to Creswell (2009), there are three primary factors that affect the selection of research design; world view, strategy and methods, the research problem, personal experiences and the audience. These factors were considered in the design of this study which made use of a case study to analyse employee brand commitment post a co-branding separation in the South African emerging market.

A case study is a research strategy which focuses on understanding the dynamics present within single settings. Case studies can involve either single or multiple cases, and numerous levels of analysis (Eisenhardt, 1989). Case study research is a form of qualitative design in which the researcher explores a bounded system (a case) or numerous bounded systems (cases) over a period through thorough, in-depth data collection involving multiple sources of information (e.g. observations, interviews, audio-visual materials, documents and reports), and reports a case description and case-based themes (Creswell, Hanson, Plano, & Morales, 2007).

Burmann and Zeplin (2005) suggest that case study research is best suited when how and why questions are being asked and when the researcher's control over the events is limited. To this end, there are several advantages related to case analysis:

1. Relevance: The phenomenon can be studied in its natural setting and meaningful relevant theory can be generated from the understanding gained through observing actual practice.

2. Understanding: The case method has considerable ability to generate answers to the question “why” rather than just “what” and “how”.

3. Exploratory depth: The case method lends itself to early, exploratory investigations where the variables are unknown and the phenomenon not well understood (Meredith, 1998).

3.4 **Population and sample**

The population of the study were employees of Danone Southern Africa. The sampling frame was employees based at the Roodepoort head office. These employees were deemed the most appropriate for the purposes of this study due to the following reasons:

1. The Danone Southern Africa head offices are situated in the same business park as the Clover South Africa head offices, thus ensuring there was a close proximity of the employees to one another.
2. It was the opinion of the researcher that the Employees (Danone Southern Africa) based at the head office would be able to give richer information due to their exposure to the majority of the facets of the business activities versus the more contextually limited exposure of employees at the Boksburg factory and other areas such as depot centres.
3. Employees of Danone Southern Africa based at the head office have frequent access to the factory and other business areas.
4. Ease of access to the interviewees as opposed to those within outer lying offices.

The study made use of Judgemental sampling, which is also known as purposeful sample, this is the most common sampling technique in qualitative research (International et al., 2005; Marshall, 1996). The researcher actively selected the most productive sample to interview in order to satisfy the research questions.

Furthermore, participants were grouped according to preselected criteria relevant to the particular research question (International et al., 2005), see tables 5 and 6 below for the description of respondent groups. This involved "developing a framework of the variables that might influence an individual's contribution and will be based on the researcher's practical knowledge of the research area, the available literature and evidence from the study itself" (Marshall, 1996, p. 523). Purposive or judgmental sample sizes are often determined on the basis of theoretical saturation, as a result data was reviewed and analysed in conjunction with data collection, to this end 18 respondents were interviewed.

Respondents were selected from two broad groups, one being respondents who worked for (1) Danone-Clover and for Danone Southern Africa, i.e. their employment began prior to the separation of the joint venture. The second group was made up of employees who were employed post the joint venture separation and only worked under the (2) Danone Southern Africa brand name. The two groups of respondents were able to provide distinct descriptions of the pre and post separation environments. The most notable differences between the two sets of respondents were experience in the workplace and age – the Danone Southern Africa only employees were of a much younger age versus the other group respondents.

Table 5 Danone-Clover & Danone Southern Africa Employees (1)

Description of respondent type	Number sampled
Employee present for Co-branded Venture	**6**
Upper Management	1
Middle Management	5

There were a total of six respondents interviewed from this group. The respondents were all in management positions (positions described below).

Table 6 Danone-Clover & Danone Southern Africa Employees (Position & Length of employment)

Current Position: Senior Packaging Buyer **Length of Employment:** 5 years	**Current Position:** Sales Development **Length of Employment:** 7 years
Current Position: Merchandising Manager **Length of Employment:** 9 years and 6 months	**Current Position:** National Sales Manager **Length of Employment:** 10 years **No longer a Danone Southern Africa Employee**
Current Position: Business Planning/Control Manager **Length of Employment:** 6 years	**Current Position:** Senior Brand Manager **Length of Employment:** 6 years **No longer a Danone Southern Africa Employee**

Table 7 Danone Southern Africa Only Employees (2)

Description of respondent type	Number sampled
Employee not part of the co-branded venture	**12**
Upper Management	2
Middle Management	7
Non-managerial employee	3

There were a total of twelve respondents interviewed from this group. The respondents were in differing positions throughout the organisation, with the majority being in middle management roles (positions described below).

Table 8 Danone Southern Africa Only Employees (Position & Length of employment)

Current Position: research assistant **Length of Employment at Interview**: 9 months **No longer a Danone Southern Africa Employee**	**Current Position**: Brand Marketing Manager **Length of Employment at Interview**: 2 years and 6 months	**Current Position**: Demand Planning Manager **Length of Employment at Interview**: 1 year and 7 Months
Current Position: Senior Brand Manager **Length of Employment at Interview**: 4 months	**Current Position**: Business Planning Manager **Length of Employment at Interview**: 1 year and 3 months	**Current Position**: Strategy & Insights Manager **Length of Employment at Interview**: 1 year and 6 Months

Current Position: Demand Planning Graduate **Length of Employment at Interview**: 8 months	**Current Position**: Communications Specialist **Length of Employment at Interview**: 10 months	**Current Position**: Organisational Development and Training Manager **Length of Employment at Interview**: 1 year and 1 month
Current Position: Brand Manager **Length of Employment at Interview**: 1 year and 3 months **No longer a Danone Southern Africa Employee**	**Current Position**: Junior Brand Manager **Length of Employment at Interview**: 1 year and 5 months **No longer a Danone Southern Africa Employee**	**Current Position**: Brand Marketing Manager **Length of Employment at Interview**: 3 Months

3.5 Discussion Document

The study made use of in-depth interviews on a one-to-one basis as an instrument to collect the interviewees' perceptions of employee brand commitment, additionally, open-ended and semi-structured questions were asked of respondents, thus allowing an open discussion between the researcher and the research participant.

The use of this instrumentation will negatively affect the ability to replicate the study and generalise the results. The interviews were recorded through note-taking and digital recording, with the full consent of the participants and assurance of confidentiality. The venues for the interviews were negotiated beforehand, with emphasis on the interviewees' convenience (Greenstein, Roberts, & Sitas, 2003). Each interview session lasted between forty five minutes and an hour.

As stated earlier in the report, the data sources used in this study consisted of both primary and secondary data. The discussion guide was piloted prior to the start of the fieldwork to ascertain if there were any inconsistencies, repeated questions or unnecessary questions. The interviews with the research participants were all held in English (See appendix A for the discussion guide). Due to nature of the research (exploratory), a large number of questions were open-ended, however there were closed ended questions that were asked of respondents. The researcher made use of a funnel approach in his questions by initially asking broad questions and thereafter asking specific questions to drill down to the underlying interest. The broad questions assisted in creating an environment of easier exchange between the researcher and respondent, see example below

Question 1:

***Main**: Do you know what the organisational aims & goals are of Danone Southern Africa?*

***Follow-up**: Could you tell me what these are?*

***Follow-up (if was a part of Danone-Clover) –** Can you tell me about this in the context of Danone-Clover*

Furthermore, the researcher made use of "weeding-out" questions, to make sure that respondents understood the nature of the question, prior to the specific question being asked. This was done because not all respondents had a marketing background, thus it was a necessity to understand that respondents understood what the question was, see example below.

Question 48:

***Main**: What is your understanding of an internal marketing programme targeted at employees*

***Follow-up**: Does this company have an internal marketing programme according to your description?*

***Follow-up (if was a part of Danone-Clover) –** Can you tell me about this in the context of Danone-Clover*

3.6 **Procedure for data collection**

The researcher administered the research instrument/s personally to employees of Danone Southern Africa. Interviewees were conducted on a one-on-one basis, with a recording tool (for transcription, post interviews) and note taking. Interviews were conducted at the convenience of the respondents at their chosen location. Interviews were conducted during the months of April to August 2013.

3.7 **Data analysis and interpretation**

In addition to the data being analysed and presented in the context of the proposed research questions, the data garnered from the study was analysed using thematic analysis. "Thematic analysis is a method for identifying, analysing, and reporting patterns (themes) within data, it minimally organises and describes your data set in (rich) detail, however, it also often goes further than this, and interprets various aspects of the research topic" (Braun & Clarke, 2006, p. 6).

To this end the data was categorized into themes, under the guidance of the sub-problems and propositions stipulated for this study. The use of themes allowed for the incorporation and integration of the relevant theories, approaches and experiences from other contexts in relation to this research topic, see table 9 below for coding example.

Table 9 Example of Coding

Data Extract	**Coded For**
"Well if you look at the staff turnover, it's quite high, so I don't think there's a lot of commitment"	1. Staff turn over 2. Level of commitment

Qualitative data analysis can be difficult (Braun & Clarke, 2006). It involves the preparation and organisation of data for analysis and the development of specific themes through a process of

coding and the presentation of data in the forms of tables or figures. The researcher has both manual (I.e. note-taking, familiarisation with data) and electronic methods at his disposal to analyse and interpret data. The semi-structured interviews were digitally recorded and personally transcribed by the researcher (to assist with familiarising himself with the data). Thereafter, the data was analysed using a qualitative software analysis package called MAXQDA 11.

Whilst there are a number of qualitative analysis software packages available, MAXQDA 11 was chosen by the researcher due to its ease of use, access to a number of visual aids (that is explanatory videos) and the affordability of the product at $99 (student pricing). The researcher made use of the Thematic analysis process suggested by Braun and Clarke (2006), table 10 below summarises this process.

Table 10 Braun and Clarke (2006)Thematic Analysis process

Phase	Description of the process
1. Familiarising yourself with your data	Transcribing data, reading and re-reading the data, noting down initial ideas.
2. Generating initial codes	Coding interesting features of the data in a systematic fashion across the entire data set, collating data relevant to each code.
3. Searching for themes	Collating codes into potential themes, gathering all data relevant to each potential theme.
4. Reviewing themes	Checking if the themes work in relation to the coded extracts (Level 1) and the entire data set (Level 2), generating a thematic 'map' of the analysis.
5. Defining and naming themes	Ongoing analysis to refine the specifics of each theme, and the overall story the analysis tells, generating clear definitions and names for each theme.
6. Producing the report	The final opportunity for analysis, selection of vivid, compelling extract examples, final analysis of selected extracts, relating back of the analysis to the research questions and literature, producing a scholarly report of the analysis.

3.8 **Limitations of the study**

The limitations of the study were as follows:

- The research sample was indicative and productive, thus the findings of the study cannot be generalised to other contexts than those described. The findings may, however, serve as a basis for future research in the context of brand commitment and co-branding.
- The research findings may have reflected the values and beliefs of the researcher's background.
- Language and understanding may have impacted on the quality of the study findings, as some respondents may not have comprehended the questions (particularly non-managerial employees).
- The respondents were chosen at the discretion of the researcher (guided by the research needs) and the respondents may not have necessarily been the most appropriate for the study.
- The presence of the researcher during data collection may have affected respondent responses (Thomasson & Janusonis, 2012)

3.9 **Validity and reliability of research**

In qualitative research, validity concerns itself with the degree to which a finding is judged to have been interpreted in a correct way (Meyers, 2012). To achieve external validity, thick description was used to analyse the data, the information presented is descriptive (i.e. factual accuracy of the account), as well as interpretive (i.e. grounded in the language of participants).

Furthermore, respondent triangulation (i.e. use of multiple data sources), method triangulation (i.e. use of more than one method of data collection/analysis) and Environmental triangulation (i.e. multiple locations) was used (Meyers, 2012).

Internal Validity in quantitative data is the approximate truth about inferences regarding cause-effect or causal relationships as a result, internal validity is only relevant in studies that try to

establish a causal relationship (Meyers, 2012). In distinction, qualitative research does not inevitably deal with cause and effect relationships of independent and dependent variables but rather with establishing a phenomenon in a trustworthy manner, that is 'generative mechanisms' or 'causal powers' (Christie, Rowe, Perry, & Chamard, 2000).

In case study research, internal validity can be recognised by the use of "case analysis, cross case analysis, pattern matching, assurance of internal coherence of findings, expert peer review, and the development of diagrams, illustration and data matrices to demonstrate the internal consistency of the information collected" (Christie et al., 2000, p. 17). As a foundation to achieve internal validity, the researcher ensured that:

(a) The case study research question is clearly written, propositions (if appropriate to the case study type) are provided, and the question is substantiated;

(b) Case study design is appropriate for the research question;

(c) Distinguishing the unit/s of analysis

(d) Purposeful sampling strategies appropriate for case study have been applied;

(e) Data are collected and managed systematically

(f) The data is analysed correctly; and

(g) Linking of the analysis to prior theory identified in a literature review.

(Baxter & Jack, 2008; Christie et al., 2000)

In Qualitative research, reliability concerns the ability of different researchers to make the same observations of a given phenomenon if and when the observation is conducted using the same method(s) and procedure(s), in order to optimize the reliability of the study:

- Data collection techniques and protocols were standardized

- Detailed documentation was provided detailing, interview contents, time and location of interview, etc.

Finally, the presence of the same researcher enhanced the reliability and validity of the findings, as the researcher ensured that the respondents answered the questions without assistance and the manner of questioning remaining consistent (Greenstein et al., 2003).

4 CHAPTER 4: PRESENTATION OF RESULTS

4.1 Introduction

In this section, the results pertaining to the propositions are presented. Detailed research findings as well as verbatim quotes from research participants are presented. The results are presented in the following manner:

1. The proposition and/or propositions are re-stated and the results relating to each is presented.
2. Results are presented in the context of respondents who have worked for Danone-Clover and Danone Southern Africa and employees who have only worked for Danone Southern Africa.
3. At the end of each proposition results section, there is a conclusion stated with regard to that proposition.
4. Lastly a new proposition is suggested post research results consideration (i.e. whether or not the original proposition/s were supported by the results). The new proposition is represented by the letter "a".

In the last section of this chapter, section 4.12, a summary of the research findings are presented.

4.2 Demographic profile of respondents

In this study there were two sets of respondents, the first being employees who were part of Danone-Clover and are now employees of Danone Southern Africa. The second are respondents that have only being under the employment of Danone Southern Africa, i.e. joining the organisation post the joint venture separation in 2010.

Danone-Clover & Danone Southern Africa Employees

These respondents are individuals who were present during the Danone-Clover joint venture and have remained with the organisation post the joint venture separation. These respondents were more difficult to recruit due to their lower numbers in the business, and timing constraints due to their relative seniority. There were a total of six respondents interviewed from this group prior to a level of saturation being reached. The respondents were all in management positions. The respondents had a total of forty-four (44), working years for Danone-Clover and Danone Southern Africa. During the research, two of these employees resigned from their positions, representing sixteen (16) years' worth of experience lost.

Danone Southern Africa Only Employees

These respondents are individuals who were not present during the Danone-Clover joint venture and only joined the organisation post the joint venture separation. There were a total of twelve respondents interviewed from this group prior to a level of saturation being reached. These individuals were easier to recruit, relative to Danone-Clover and Danone Southern Africa employees; however, the number of respondents recruited was higher. This group of respondents took longer to reach a level of saturation due to their differing experiences based on position (i.e. seniority), time of employment since the separation (e.g. 8 months versus 1 year and 7 months), their work experiences and their exposure to the business as a whole.

The respondents were in differing positions throughout the organisation, with the majority being in middle management roles. The respondents had a total of thirteen years and four months, working years for Danone Southern Africa. During the research, three of these employees resigned from their positions representing three years and five months' worth of experience lost.

4.3 **Results Pertaining to Proposition 1**

Proposition 1: Employee shared brand understanding will be positively influenced by consistent internal brand meaning communication and employee receptiveness post a co-branding separation, the lack of which will lead to fragmented brand understanding.

Respondents claim to understand the mission of the Danone Southern Africa Organisation

- *"Danone's the thing, I know the mission, its goal is obviously the financials but the mission is bringing a healthy food to as many people as possible"*
- *"To supply nutrition to as many people as possible that's literally the aim of the organisation"*

This closely matches the stated mission of Danone which is Bringing health through food through to as many people as possible (Africa, 2013; Danone, 2013b). The majority of respondents, namely 66%, also claim to understand what the brand stands for and claim what the brand stands for, with statements such as:

- *"For me the Danone brand actually stands for health yea, because we obviously make **yoghurt** and that's health connotations"*
- *"It stands for quality, it stands for health and not necessarily and accessibility I think."*

In order to assist or drive employees to understand as well as believe in the brand, respondents stated that the organisation makes use of offering them product to consume on the premises, internal promotions, DLC (Danone Leadership College – Please see Appendix C) and the Intranet (Please see Appendix D). Two employees however, stated that the company did not do anything. In terms of the Danone-Clover joint venture, respondents said that no brand understanding of Danone-Clover was actively pursued, with any communication only being informative only as referred to below.

- *(Induction) they did that from a Danone point of view, but like Danone-Clover, yes it was created as a brand, but we still functioned as two companies if I can say it like that, so even though we were Danone-Clover, it wasn't like we went out and a big thing was made about hey, we're Danone-Clover we talked a lot and employees got to know a lot of the Danone brand, then it was just our Danone-Clover brands underneath it if that makes sense, so there was never like a big thing made about oh, we're Danone-Clover>..,*

Of the respondents who claimed that they did not understand the brand, they said that the identity of the brand has not been established as yet, due to the fact that it was under the Clover umbrella for an extended period, as shown by the two quotations below:

- *"The Danone brand, there is no Danone brand to be quite honest and that's what we want to achieve because, that is if I'm looking at what Clover is doing and what they are doing with their milky way etc.etc., they've a very, everybody knows Clover, everybody loves Clover and I think that's still where we lack as a company …. Ok, the thing is just many years Clover has been like with all the milky way and everything, they, you're in love with the Clover brand, whereas Danone because we've been under the Clover umbrella for a long while, it, we've been perceived as part of the Clover brand and I think we need to change it in and hopefully and I don't know if it's the right way with the competition that we are going to do at the end of the year it's to create more, to establish the Danone brand because I definitely think that's where we can grow us to grow the Danone brand";*

- *"It just stands for a French company to me, funny enough you ask that question because when I say to people I work for Danone, they would say, who's that? And then I would say Danone-Clover, and they would say oh Clover, they know you. The Clover brand is so strong here, the Danone-Brand has sort of being piggy-backing on it, on this Clover brand, now that they're separated, I think that there's more problems to the brand because, you always used to see the Danone-Clover logo, now you can see the Danone logo, so to me Danone brand is a multinational dairy company that, you can't even say they only specialise in dairy because they used to have a biscuit industry, the food industry. The brand has changed throughout, their strategies and their mission statements have*

changed, but to me it's just a multinational conglomerate in the food and dairy industry"

When respondents were asked as to what the brand stood for during the Danone-Clover partnership, most (barring one respondent) respondents firmly said that they saw it more as Clover brand than a Danone brand, with Danone subsequently benefiting from those positive association with Clover.

- "Clover, everything... Yea, Clover's got such a strong representation in the market, it's scary and they're going to launch a new yoghurt, we're going to be screwed I think"
- **"** uhm I don't think there was really, people were confused I think they were more focused on the Clover than on Danone, if they looked at Danone they knew it had something to do with yoghurts and that was literally what it was….Clover could have a very good brand name, it stands for dairy, good quality dairy"

Respondents felt a strong personal association with health, in terms of brand meaning on a personal level. The majority of the respondents (4/6), also state that this meaning is shared by their colleagues. Respondents, who felt differently, point to the number of new employees and high turnover as factors that have led to diminished shared understanding of the brand. During the Danone-Clover joint venture, respondents claim that there were no strong personal association to company. Employees identified themselves with Danone, however, the positioning of the brand was not as strong as it is now and at they rejected the association with Clover in terms of employment identity here

- *"It was literally just, I would say reinforcing the company name, because in those days we were all focused not really on the Danone or the Clover brand name, it was more focused on the brand names so, NutriDay, Activia the sub brands"*
- *"For me, it's the same as what I feel today, even though the Clover name was there, I never really lived Clover at all it was always in my mind Danone so it was a very functional relationship from my point of view. "*

- *"It's just a dairy joint venture"*

All employees stated that they have a very clear understanding of what their current roles require of them, this also stems back to the Danone-Clover joint venture. Employees further stated that they have most of the knowledge to perform their duties, whilst also stating that they were open to acquiring more knowledge to support the brand. Employees stated however that during the Danone-Clover partnership, whilst they had access to knowledge, they at times were the creators of that knowledge or had to acquire it on-the-job. All employees also state that they can see how their performance impacts on the organisation, with strong mentions of key performance indicators (KPI's) as being a critical factor in them seeing that. The respondents described this as being similar during the Danone-Clover partnership. This was further extended to the larger employee set, where respondents felt that their peers could see how they impacted on the organisation. There was only one respondent who said that their peers do not see their impact; this is due to the fact that they were not specifically in a department and are a functional specialist, who works alone in supporting the business.

Respondents claimed that there is a lot of internal communication, however, there is scant brand Danone communication and that the communication was more informing in nature.

- *"Because what internal brand communication is really there? So we haven't really focused on any, you're talking specifically about the Danone brand? No, I haven't experienced that"*

When respondents were probed about whether the communication assists them with their understanding on how they should act in their job responsibilities, there was a 50-50 split in terms of Yes versus No responses, with some respondents mentioning specific communications that help behaviourally like CODE (see Appendix C), however there was not a clear link to that communication and their day-to-day responsibilities.

- *"There is a lot of communication around the CODE principles, so I think in terms of that it's your openness, like being open there is a lot of communication on that, empowerment, we go on training sessions for the DLC to learn like how to react as a leader, based on the CODE principals, so there is a lot of communication, those*

behaviours coming out, you can see how to react"

- *"It's just interesting for me, to see where we're going, the sales that catches me, the communication released though doesn't help me to my job"*

Respondents however, did state that there has been a great improvement in brand related communication since the disbandment of the joint-venture, pointing to the fact that there was previously no communications department.

- *"No I don't think so. In fact we didn't even have a communications department"*
- *"There's more brand communication now, much more, it's much better now"*

Table 11 Danone-Clover & Danone SA Employee responses to brand related questions

Danone-Clover & Danone Employees	**Yes**	**No**	**Yes and No/ Sometimes/ Maybe**	**No Response**	**% of Yes Responses**	**Results**
Brand related information booklets/pamphlets are distributed to employees?	1	2	3	0	17%	Brand Danone information is scarcely handed out to employees. Employees state that sub-brand information is handed out, on a quarterly basis via the play your part magazine (See Appendix J).
Branding issues are communicated to employees?	2	3	1	0	33%	Only to the relevant stakeholders, not to the wider company.
Employees regularly discuss possible branding issues?	2	3	1	0	33%	A topic which is only dealt with by the marketing team, (however, mostly on their sub-brands). Sometimes happening in project team meetings (however, these are project specific meetings), thus not necessarily related to the Danone Mother brand

Danone-Clover & Danone Employees	**Yes**	**No**	**Yes and No/ Sometimes/ Maybe**	**No Response**	**% of Yes Responses**	**Results**
Employees are counselled in branding issues	1	5	0	0	17%	The majority said No; only one respondent mentioned that the organisation is counselling employees; however the organisation is beginning to focus more on the Danone brand and equipping employees to be able to handle the responsibility.
Employees are encouraged to improve their behaviour in the name of the brand	4	2	0	0	67%	Whilst the majority said yes, this was a qualified statement; one manager linked it directly to company, the expectation such as the clean desk policy, which can be described as a hygiene factor. Respondents did state that they were encouraged to live the brand, the methods of encouragement that stood out were: Internal Product launches, CSR activities (e.g. Mandela day), product being made available in the fridge, and tasting sessions. Respondents says that, there was hardly any encouragement to live the Danone-Clover brand *"no, when it was Danone-Clover we didn't have products anything available to us, it was not like the fridges that are set up here were we actually have it" ; "No, you need to understand with Danone-Clover the reason why we never focused on the Danone-Clover brand was because of Clover part of it, um the focus was obviously on Danone but we couldn't do it because of the partnership"*
Employees acts as brand ambassadors of the company	6	0	0	0	100%	Employees believe the majority of co-workers act as brand ambassadors

All respondents said that they understood what the organisational aims and goals are of the organisation, however, 33% of the respondents who said yes, said that they were not completely sure what they were but had a general idea of them.

- *"Middle ground answer, sort of, not overtly, I understand what it would be but it hasn't been communicated to me overtly"*

When queried to overtly name the organisational aims and goals, the majority of respondents stated that the goals are to Bringing health through food to as many people as possible; however, very few respondents used those specific words. The majority of respondents used a variation of them. Respondents did also mention other goals for the organisation such as talent recruitment, volume goals as well as societal goals.

- *"It's to bring health to all South Africans"*
- *"To be the, oh how do I word it, I'm not going to word In their specific language but I'm sure it's to be a leader in the dairy market and bringing health to South Africans."*
- *" Oh how I understand it they, innovation is a big goal for them, they want to innovate as much every year, I know they need to maintain a certain standard of health as well, so they are very strict with rules on what they offer consumers that there must be a standard of health and obviously innovation is a big driver and then obviously to form an organisation that Danone as a group is owned by shareholders, so the biggest motivation is to increase the value of the company for those shareholders"*

The majority of the respondents (67%) said they knew what the brand stood for, whilst the remaining were not sure, however they believed they had a general idea. When all the respondents were queried to specifically state what the brand stood for, the strongest associations were: dairy company, quality, providing nutrition and health as per the responses below.

- *"It stands for quality, it stands for health and not necessarily..and accessibility I think"*
- *"No wait, I don't know, let me think, what Danone brand stands for, I think, what is it, they keep talking about .. Yeah but they keep saying it, what do they keep saying, it's like yoghurt today thing where they're trying to get people healthy, get people aware of their health and to create awareness about one's body and to promote yoghurt as a form of healthy eating, I guess that sort of thing"*

When asked "What does the company do to get staff to understand and believe in the company's brand?" respondents mentioned that:

- They are shown television commercials (all sub-brands, such as Ultra-Mel or Yogi-Sip),
- The Managers' meetings (only for management),
- The Danone Leadership College and;
- The Danone Nations Cup.

The general consensus however, was that the organisation could do more and that it is not being reinforced by upper-management.

- *"They show us TVC's, that's all, nothing really, nothing much"*
- *"There are things like the Danone nations cup where they do invite the whole entire company to attend, and there are like family days and stuff, but again there's no major buy-in, especially from the more affluent employees, I would say, possibly the factory employees, yes because it's a free event there, you get free food etc., but not necessarily from the upper echelons* ***Interviewer:*** *And beyond DNC, there's nothing you can think of?* ***Respondent:*** *No"*

Respondents had expressed personal associations when asked to mention their personal understanding of the brand, with mention of health, ethics, aspirations and most importantly global standing and reputation. As a follow-up, the majority of respondents stated that they felt their colleagues shared this same understanding of the brand and those who thought their colleagues may have a different understanding (three respondents) mentioned individuality as a

reason and experiencing the brand before in an international environment rather than just the South African context

- *"It , when I think of Danone, I think instantly of a global company, someone, something that's international and recognised across the world, but I think highly of it, it's a premium company."*
- *"Yes, standard approval, that quality stamp."*
- *"Brand Danone, I think it's a very very good brand because it has a very strong history and has a very big like worldwide that makes it an awesome brand and I think it's a good brand because we have good quality products and I identify Danone with good quality dairy products in South Africa, not too familiar with other products overseas like the water and the medical nutrition and stuff, but in South Africa I'd identify with good quality dairy products"*

However, the positive affliction to the brand was not unanimous amongst respondents, 33% of respondents had a more negative personal view of the brand. These respondents mentioned their personal experiences, inconsistent communication and "red-tape" as contributing factors to their opinion.

- *Before or after I joined and I'll say this in terms of corporate image, low budget, lots of unnecessary red tape and micro-managing*
- *Not much hey, since I joined and I started seeing like how different we are from Clover but when I got here, I thought Danone-Clover same thing, now I'm starting to realise that there are certain things, like Clover for instance would do that we don't do and I don't think that uh, the brand is that strong, I don't think it has an identity per se, so that's how I view it*

All respondents said that they understood what they needed to do in their job responsibilities. One respondent however did mention that she thought the organisation could do a better job of communicating how all employees, higher or lower, have an impact on the organisation as a whole. To this end half of the respondents said that they believed that they had all or most of the knowledge to perform their jobs. Respondents who said they did not have all the

information needed mentioned length of employment as the main reason, in addition to lack of sharing and their level within the organisation

- *"Because I think that with time I will"*
- *"I think that there are things that I could learn…. I think just, it's just general things, things about yoghurt that even I don't understand necessarily, yes yoghurt is healthy but why is it healthy and I guess for me the big gaps at the moment are stuff that will come on the job"*

All respondents did however agree with the question: "Can you see how your job performance affects the organisations success?" Respondents qualified this statement by specifically mentioning the outcomes of their specific roles. Junior employees mentioned outcomes that are mundane but need to be completed, such as admin, and the more senior respondents mentioned outcomes that have an obvious and visible effect on the business such as forecast deviations, CAPEX decisions and research decisions. Two respondents were not sure if their impact on the organisation was seen by their peers, (a junior and a new employee in the company), whilst the rest of the respondents said that their colleagues could.

The majority of respondents said that there is a large amount of internal brand communication, three respondents said there was no significant communication, however respondents did qualify by stating that the information communicated usually relates to sub-brands, with very little brand Danone information. Furthermore, the information communicated was more notification related.

- *"I think that we, we need to shout about Danone as a company if we want to build the Danone brand we need to focus on that"*
- *"Yea I mean, they tell us what we need to know and when we need to know it, I think its fine"*

Only four respondents agreed with the statement "is the internal communication sufficient" a respondent in the communications department being one of them stating that *"I think so, there's a lot that goes into a year. I don't know if everybody always realises how much goes into*

it, but I think so. I can't think, I mean there might be a few things that we're missing but yah..." ***Interviewer:*** *"What do think you're missing?"* ***Respondent:*** *"Probably do more charity drives or stuff like that, not only Mandela day but to organise more so people feel that they're giving more, stuff like that, I don't know, more team buildings to bring people together suppose something like that."*

The majority of respondents stated that they would like to see more communication that goes beyond notifications, specifically respondents mentioned more events and communication to break down the inherent silos in the organisation, as well as breaking down communication barriers between top and lower management

- *"I think there is wonderful [communication] within the team, each team communicates well within each other, I think that at a holistic point I kind of know top line what's going on, on some of the other brands, but I don't think that's shared by the rest of the team and it has been flagged that we'd like to understand things like brand plans of other brands and to share ours with the teams and also to understand things like innovation because I think we do have a tendency to work in silos and that needs to be looked at"*
- *"I think for sort of uniformity and one goal, one vision, probably not even not at a brand level but at a mother brand level at least from my perspective there's very little communication. I mean when we go on the conferences and things and the EXCO will present to us in terms of plans and things but it's quite broad and sometimes the vision is there but I mean there's not that many sort of touch points or yeah, so No."*

Furthermore to this above 75% (9 out of 12) respondents said that they did not believe the internal brand communication helped them understand how they should act within their roles. Respondents mentioned that what is communicated does not relate to behaviour.

- *"They don't talk about how you should behave, they talk about what's going on, how you should behave is completely different sort of like aspect* ***….****you feel a little bit more loyal I suppose, like proud of what's going on in the company, when you know what's going on and I suppose that might affect your behaviour but not at largely, I don't think"*

Respondents mentioned the Danone Leadership College and CODE, in terms of the organisation communicating brand related behaviour, however, they said that this was only on paper and senior management was not driving this into the company.

- *"I think the internal comms when they're there, they're more sort of just disseminating information telling you hey, this is happening or this is new or this is what we want to do but I don't think, there's not much structure around how, when, who, where, it could be, it's like an FYI type of thing"*
- *"I think things like the Danone leadership college was very helpful because that took you through the whole CODE which was our values, what our values are and the kind of behaviour which our company expects from you. I think what's difficult is that, it says one thing on paper but I almost feel like the senior leadership, we're not seeing those behaviours being practised"*

Table 12 Danone SA Only Employee responses to brand related questions

Danone Only Employees	Yes	No	Yes and No/ Sometimes/ Maybe	No Response	% of Yes Responses	Results
Brand related information booklets/pamphlets are distributed to employees?	5	5	2	0	42%	Respondents who said yes mentioned emails and the quarterly play your part magazine. However, respondents mentioned that majority of the information given is sub-brand related. Respondents involved in the communication of brand Danone - say that they do and have handed out pamphlets; however, this has happened very infrequently stating. *"ahh but no there is as well if I think of, there was a Danone 40 years, Danones 40th birthday there was a booklet about where we come from, what it is that we stand for, that was given out with a cooler boxes in the beginning of the year, so yes* ***Interviewer:*** *but that was a once off thing it's not a regular thing?* ***Respondent****: No unless there's something to celebrate, no."*
Branding issues are communicated to employees?	0	11	1	0	0%	The majority of respondents said that branding issues are not communicated outside of the marketing department as per the quotation below. *"In the broader sense? Like not just marketing? I'm not sure, but not that I know of, but in marketing specifically yes,"*
Employees regularly discuss possible branding issues?	5	7	0	0	42%	Respondents who had a connection to brand related work agreed with this statement, specifically stating that branding issues are discussed when there are issues.

Danone Only Employees	Yes	No	Yes and No/ Sometimes/ Maybe	No Response	% of Yes Responses	Results
Employees are counselled in branding issues	2	10	0	0	17%	The majority said that they are not counselled in branding issues if they are outside of the marketing department.
Employees are encouraged to improve their behaviour in the name of the brand	5	7	0	0	42%	The majority of respondents said no, of the ones who said yes - they mentioned CODE as a means to encourage behaviour. However, respondents also stated that some of these behaviour aren't encouraged but are expected, i.e. hygiene factors. “CODE, yes, because we evaluate ourselves on an annual basis as part of our performance review, on code behaviours, that’s behavioural aspects and values of the company, it’s not necessarily the brand…the thing is I don’t think the brand is defined properly for everybody, different people have different views and opinion, if you ask that question to someone else they may say no, because they don’t understand that CODE is part of the brand”>. In a follow-up respondents said the company does not make a big point of encourage them to live the brand , however, respondents did mention that the organisation is trying to move in that direction “ Oh, I think that they try to instil the values” “On occasion, I don’t think they sort of instil that in each employee, but they definitely try to do it.”
Employees acts as brand ambassadors of the company	4	3	4	1	36%	The responses were fragmented, employees said customer facing employees did but they would not know if the majority did.

4.4 Conclusion to Proposition 1

In the results presented, the majority of employees across both sets of respondents shared a brand understanding (post joint venture separation) highlighted by key words such as quality, health, and global standing. This was however, driven to a large extent by personal understanding of the brand rather than internal brand meaning communication. Respondents from both groups intimated a need for better brand communication to influence meaning as, communication is informing rather than building understanding in nature. **Therefore it is proposed that:**

Proposition 1a: Organisations that invest in brand meaning communication to employees, post a co-branding separation are more likely to create shared brand understanding across all employees.

4.5 **Results pertaining to Proposition 2**

Proposition 2.1: Brand Promise understanding will be fragmented in the firm following a co-branding separation.

Proposition 2.2: Employees who were part of the co-branding joint venture will have a different brand promise understanding than those employees who have recently joined the post co-branded organisation.

Respondents said that they see the Danone brand promise as providing health through food, although 33% of respondents used that exact phrasing. All respondents mentioned that providing health was the key brand promise. In terms of Danone-Clover respondents claim that the brand promise for the brand was essentially the same, however, there were mentions of Danone benefitting from the Clover association.

- *"I think its bringing health through food**".***
- *"I would say it was the same, I don't really see vast differences between then and now in terms of our image and brand promise and all of that because for me, the mission basically stayed the same we never changed our mission whatsoever from that day to this day"*
- *"Yeah I think we didn't have that much focus on the Danone brand, I mean all our products were Danone/Clover in any case. Danone-Clover was on all the packaging and we only broke away from that about two or three years ago or so"*

The majority of respondents saw television as the major vehicle through which the brand promise was communicated. Internally, respondents claimed that it was mainly communicated through email and the intranet. In terms of Danone-Clover, respondents claimed that it was the same in terms of communication mediums (internally and externally); however, there was less internal communication (frequency) versus Danone Southern Africa.

All respondents stated that they had confidence in the brand, which was driven by quality offerings and a strong brand name. Respondents went on to state that they believe that the brand has a good reputation with its customers (trade and consumers) – however, respondents

mentioned that the Danone brand derived benefits from the association with Clover, as indicated below by these two remarks.

- *"I think yes, to a point we do have a good standing with our customers but a lot of our customers still don't really understand Danone brand, they still very much see us as Clover, we got a far way to go with that…it's not a hindrance in my day to day activities buy I have to explain it a lot."*
- *"Yes, I think so. I think it's got a good brand, but it carries the Clover brand because our distribution is done by the Clover merchandisers…all our merchandisers are Clover merchandisers, all the trucks are Clover trucks, so yes our product is on it but it's still going through the Clover DC's"*

All respondents also fully agreed with the statement "If my company make a claim or promise about its service that it's probably true."

The respondents mentioned that "bringing health through food" is the Danone brand promise, however, only five respondents stated this (42%) and in differing variations as shown by the quotations below:

- *"The brand promise at Danone, I've never seen it anywhere, but I would think, it is to provide good quality dairy products"*
- ***"****The brand promise to bring health to South Africans* ***Interviewer:*** *That's what you think it is* ***Respondent:*** *Yea that's what I think it is, not being sure of the specific words but bringing health to, bringing health through dairy to South Africans."*

Two respondents however could not explicitly communicate the Danone brand promise, the remaining respondents mentioned quality and health – these were consistent themes coming through, however, respondents also mentioned the brand promise as being something more personal and linked to their personal development or communities.

- *"So for me the Danone promise, is that we contribute to health, we contribute to society, we contribute to development of people in our organisation and it really is important for us to build not only our own customers and our own consumers but also the category but also the suppliers where we get the stuff from and the country as a whole in the long run.*
- *"Optimism and community development"*

Respondents could not communicate a simple brand promise, but could mention differing aspects that they believed contributed or should be contributing to the brand promise of Danone Southern Africa. In terms of the brand promise communication, respondents said that from an external point of view the predominant medium for its communication was television, with some print and radio. From an internal perspective the respondents mentioned email, play your part (i.e. the internal magazine), the intranet, products and general communication with each other/word of mouth.

Only one respondent stated that they do not feel confidence in the brand, they justified this stance by stating that *"I don't think the brand is strong enough, I understand where we're trying to get it it's not strong enough on its own yet, so the brand Danone, the products are, so if you say for instance Ultra-Mel, that is a good brand or whatever, but Danone isn't strong enough."* The majority of the respondents stated they feel confidence in the brand with the major justification behind this being the global brand standing and how that is viewed as an advantage by respondents. Further motivators were that the brand offers quality products for consumers and has very strong sub-brands.

- *"It's established, consumers understand exactly what it is, they associate it with the core products, which is yoghurt, so yes, they are clear attributions to the brand"*
- ***"*** *It's a good quality brand, it's got leading sub brands, it, it has a positive overall health impact for consumers, so we're doing something good for the community."*

When respondent were asked whether or not the Danone brand had a good reputation with its customers, all respondents said that they believed so with the main justification of this was that Danone is a quality brand (also international). It is trusted; it has quality sub-brands, its link to health and its association to the Clover brand. All respondents agreed with the statement "If the company makes a claim or promise about its service, it is probably true," they qualified this by saying regulations (market) dictate this, the organisation is ethical in nature and that it is a trusted brand.

4.6 **Conclusion to Proposition 2**

In the results presented, across both sets of respondents less than half of the sample said that the brand promise was to deliver health through food. Respondents did however state that health and quality products was what the brand promised consumers. Respondents who were part of the joint venture also stated that brand promise did not change post the joint venture separation. **Therefore it is proposed that:**

Proposition 2.1a: Brand Promise will not be fragmented in the firm following a co-branding separation, provided that the brand promise remains the same.

Based from the results pertaining to proposition 2.1, **it is also proposed that:**

Proposition 2.2a: Employees that were part of the co-branding joint venture will not have a different brand promise understanding to employees who were not part of the joint venture, provided that the brand promise does not change.

4.7 **Results pertaining to Proposition 3 and Proposition 4**

Proposition 3.1: Employee brand commitment will decrease in the aftermath of a co-branding joint venture separation.

Proposition 3.2: Employees who remain with the organisation post a co-branding joint venture separation will have higher brand commitment versus newer employees.

Proposition 4: The internal marketing orientation of an organisation post a co-branding joint venture separation will not be a formal process resulting in inconsistent internal brand experience.

When respondents were asked specifically about the level of commitment in the organisation, all respondents said that it was not good

- *"I don't, I think it's fifty-fifty not even fifty, I think it's seventy thirty, thirty per cent of people are still really committed to the company and everything, I think the other seventy are just here for the salary, either until they move onto bigger, better things, the majority of people now, you can see they're only at the company at least a year, a year and a half after then they move on to another role and another company, to earn a better salary"*
- *"on percentage base 20-30% are loyal"*

When probed for a percentage figure of employees that were committed versus those who were not, employees said that 20-30% of employees are committed versus the rest. Sixty seven percent of Respondents went on to state that commitment was higher during the Danone-Clover partnership, they qualify this by mentioning the current high turnover**,** cultural change and the increased pressure due to taking more responsibility from Clover after the separation.

- *"The turnover during Danone-Clover days was not the same, it was completely different, we had people who stayed for, if I look back, I think I'm one of the longest serving people in the company, when I started 10 years ago there were people that were already 3-4 years and they stayed, I think everything changed about 3-4 years ago"*
- *"I think it was higher, the culture was very different at that stage I mean we have gone through different GMs, different marketing directors, if I just speak for myself the culture was very different at that time, if look at the EXCO as well there were more south African people in the EXCO at that time than what we have today, so in terms of culture to create*

commitment it was more fun environment and people were more committed when it was Danone-Clover than what it is today when it's just Danone."

- *"I think there was less pressure yes and also because they were still, they were doing a lot of stuff for us at that point Clover, so you know the people that were here doing the stuff, it was, there was a certain level of pressure but as we've started taking more and more and more back from Clover the expectation obviously on our part is much more heavy because now you really are directly involved in making the difference, so that's where I think the biggest change has happened."*

Eighty three percent of respondents claim that employees are willing to put in extra effort beyond what is expected of them, however, this is qualified by respondents stating that it is a yes and no situation and that in some cases it is more out of force than volition, as per the quotations below.

- *" Yes and no, it depends on if the bosses are watching or not, because I get the sense that lot of the people are, I'm just sitting there and looking busy to impress my boss type thing and not actually trying to make a difference, other people again I really think they are there to make a difference, whereas respondents said that during Danone-Clover days people where more committed out of volition"*
- *"I think it [commitment]was higher like for Danone-Clover than it is for Danone, I think because people were a bit more motivated when it was Danone-Clover, like people will go the extra mile, even though you will still do it here at Danone, I think people were motivated to do it when it was Danone-Clover*

Table 13 Danone-Clover & Danone SA Employee responses to perception and attitude (toward the brand) questions

Danone-Clover & Danone Employees	Yes	No	Yes and No/ Sometimes/Maybe	% of Yes Responses	Notes
You are proud to be a part of the company	6	0	0	100%	All respondents said that they were proud to part of the company, with the major motivators being the strong brands and their personal career growths and opportunities they have had within the organisation.
You care about the fate of the company	6	0	0	100%	The respondents all said they care about the fate of the company, with three directly linking it to their job and personal livelihood. Others, however, mentioned loyalty to the organisation and to general empathy to working organisations due to the recession.
You and the company share similar values	1	0	5	17%	The majority of respondents did not uniformly share all the values, however, could identify with most, particularly the CODE values.
You are willing to take responsibility for tasks outside of your own area	6	0	0	100%	All respondents said that they showed a willingness to assist other employees, with the motivating factor being that they see themselves as people who always assist; They linked it to their personal characteristics.
You consider the impact on the brand before acting	6	0	0	100%	All respondents answered yes, with them seeing their actions as impacting on the brand and in some cases reflecting badly on themselves should they not act in the best interests of the brand.

You regularly recommend the brand	4	0	2	67%	The majority of respondents recommend the brand, particularly on a product offering level; however, when probed about the organisation, respondents are more selective, qualifying their recommendation based on the ability for a potential employee to handle the work environment. *"yes and no **Interviewer:** so why **Respondent 11:** I recommend the brand because I'm happy in the brand but then I also don't recommend the brand in the fact that if you can't deal with pressure and if you can't deal with a lot of expectation then I caution against the brand"*
I voluntarily seek out information about how the organisation I work for is performing	3	3	0	50%	Whilst only half of the sample voluntarily seeks out information, the other respondents claim that they do have access to information, however, their daily work responsibilities prevents them from being able to seek information outside of their general responsibilities.

When respondents were asked whether or not the work environment taught them how to act within the workplace, two said "No", one said "Yes" and the rest were more cautious with their response taking a middle ground position (Yes and No). Beyond the hygiene factors (open plan, respect for other, etc.) employees are of the opinion that the work place has changed since the Clove-Danone joint venture and that it is not the same, two respondents actively mentioned culture change as one of the motivators

- *"If you walk into the workplace, you've got a general feeling of how you have to act* ***Interviewer:*** *Have you changed in terms of how you behave from Danone-Clover to today?* ***Respondent:*** *Yes, my behaviour has changed, what has changed is, I mean it also just doesn't depend on company changing it's also on people coming in and leaving that, that changes but I mean just how we function on a day to day basis, also there was times for work and there was times for fun as well so during the day you could laugh loud, make jokes in the office, sometimes we played music in the office, whereas I find now that it's a very, very quiet environment there's not a lot of stuff being done, like fun stuff and joking with one another, it's very quiet and serious and sort of silent when you walk into the office or into the workplace, so I had to turn my behaviour down."*

Respondents state that they believe there is an internal marketing orientation in the organisation; however, they say it can be improved. Respondents also state that the communication that is done is not specifically linked to Danone but to sub-brands and general communication.

- *"It may not be that um, sort of forceful but I think we getting there and I repeat again the example of when there is a new launch for example, products are being given out or there's a maybe a breakfast in the kitchen, the new products are put there for everyone to test or to taste, so yes, I think there is that avenue"*
- ***"****I think yes, maybe not so much as much as to the extent of the Danone brand, I think the only internal marketing we do for the Danone brand specifically is the Danone nations cup, so every time that that happens there's a lot of internal marketing happening, like encouraging employees to go to the events to see how the kids play, I think in terms of our brans specifically as well, there's a lot of internal marketing that happens if we do specifically a launch or anything it's up to you to set It up to create awareness"*

Respondents also state that there is a much more effort on internal orientation versus the Danone-Clover partnership.

- *"It's much better than then, I actually look forward to these quarterly review meetings, innovations and products and that, I don't think we're good at post-mortems, we don't*

discuss these things on a wide basis"

Employees state that they find out most information via the grapevine, however, there is communication via the email system and personal relationships.

- *"I speak to people, I try to get quite a good network with the right people, I read a lot on a like play part we can get that, but also with the intranet and everything we have sometimes there's a lot information that you can get, not only on South Africa but more on a global perspective, but the best thing is speaking to people and getting information."*

Employees who remained with Danone after the separation, say that their decision to remain was mainly influenced by their career paths and learning opportunities.

- *" I think it was more personal, it was more um, for me it's like, I really believe in the company, I think I really really do believe in the company and I really do believe in the potential of the company, another thing as well is they push you, push your limits and stuff, where your normal South African company and stuff you, what you put in is what you get out, with Danone is they like yes what you put in is what you get out but they push you even harder and even further, I believe the more you are being pushed, the more you learn, the more you grow as well."*
- *"I was still in a comfort zone, like Danone even when it was Danone-Clover both are very great companies, what I experienced when I started here in my department as you go through a very strong learning curve, like you're literally thrown in the deep end and you get a lot more development, if I talk to people that work in other companies, like they don't always get that development so either if it was Danone-Clover or when it moved to Danone it still remained the same company for me, it just the Clover that fell away, but even before then we still functioned as Danone even though we were Danone-Clover, so it was basically staying at the same company, even though some of the cultures and things changed."*

When respondents were asked specifically about the level of commitment in the organisation, the majority of all respondents said that it was not good.

- *"In general mid to low level of commitment* ***Interviewer:*** *Why would you say that?* ***Respondent:*** *Symptomatically or causally…. Well we tend to have high levels of turnover, so probably there isn't much commitment to remaining in demand in South Africa***"**
- ***"****Not very well, because the staff turnover is very high* ***Interviewer:*** *Why do you think the staff turnover is so high* ***Respondent:*** *Well it's a lot of pressure from the company, like everyone says from previous companies that this is a lot of pressure, so people work long hours, they are like I said always under pressure and I think that's stems from, there's*

obviously a bit of cultural difference here"

When probed for a figure versus those that are committed versus those who are not committed, employees said that approximately only half of the employees (50%) are committed versus the rest. When probed for reasons as to why the commitment was low respondents pointed to the staff turnover, increased pressure and culture (internally and inherited from Clover), Furthermore, the company's previous policy of 'bums in seats' contributing to the high turnover as there was no fit, to the point where it was recognised as a major issue by the EXCO with regard to retaining institutional knowledge.

- *"I think the commitments high, but then what also puzzles me is that obviously a lot of people leave, so then obviously they're not that committed to the company …I don't know, for me you're committed to something you want to see it through you know, so with people leaving in like four to six months or whatever, like you don't get a lot of people who have been here for 10 years and then they leave you know, which is then at least a long term thing, but you get people who come here for like 4 or 6 months, a year I don't think in that time you would've then, if you were committed to the company you would've done much and it happens a lot that people stay for like a year max and then leave."*
- *"So I think that with the move from Clover we inherited people that, who subscribed to the Clover brand, not necessarily the Danone brand, so out of those people some of them will change and start becoming true Danoners and some of them will never change and they will probably leave or sit and complain and then you've got people who got recruited and we've done terrible recruitment in 2011 and the first half of 2012 "*

Respondents stated that they felt that employees are willing to put in effort beyond what is normally expected to make the organisation successful, however, it was not necessarily a voluntary effort but more expected of them .

- ***"** Yes, but that will be any employee who's wanting to be successful or get ahead **Interviewer**: So it's not necessarily related to **Respondent:** It's not altruistic"*
- ***"**I think there are very few that do, which goes, I think that leads into my whole, you know a job is a job, you come here and get things done, the level of motivation and commitment you have towards what you're doing isn't as high."*

Respondents also mentioned that this is a direct result of the influence of their bosses in terms of how they work**.**

- *"I have seen it, when I worked in commercial, I have seen people working around the clock to sort of deliver on, goals and expectations, but it often filters down from a higher*

level, so if you see the person you are reporting to, putting in the extra efforts it filters down to and then you will put in the extra effort, provided that you are happy and you want to, to strive towards your own goals, if you are like complacent and you don't really care, you're not really that interested, then it's just a cheque kind of thing, it's just money in your back pocket, then obviously you won't, but if you are committed and you find that whoever you report to is committed as well but I think it's, yea people do."

Table 14 Danone SA Only Employee responses to perception and attitude (toward the brand) questions

Danone Only Employees	Yes	No	Yes and No/ Sometimes /Maybe	% of Yes Responses	Notes
You are proud to be a part of the company	11	0	1	92%	The majority of respondents said that they were proud to be a part of the organisation, with the main reason being that it is an international company with good standing.
You care about the fate of the company	10	1	1	83%	The majority of respondents said they care about the fate of the company because it is directly linked to their jobs/livelihood**.** There were other mentions outside of this motivator that included comfort and community betterment in terms of product offering (i.e. healthier options).
You and the company share similar values	8	1	3	67%	Respondents said they generally share the same values of the company in terms of code. However, they did not uniformly share all the values of code, in particular they favoured committed and doer.
You are willing to take responsibility for tasks outside of your own area	12	0	0	100%	All respondents said that they would, however, the majority qualified it with statements that were more related to themselves and their growth ○ *" Because it relates back to my personal success"* ○ *"Because I believe this company is partly mine, I believe the success of the company will benefit myself and that if the company does badly it will impact me negatively, so I want to give all I possibly can"* Three respondents did state commitment and caring for the company as motivators.
You consider the	11	1	0	92%	The majority of respondents agreed with this, in as much as it impacts their reputation

impact on the brand before acting					and the reputation of the organisation.
You regularly recommend the brand	11	1	0	92%	The majority recommend, particularly the sub-brands in terms of product offering. In terms of work environment, respondents would generally recommend the brand, however, there is warning by respondents in terms of the culture and high pressure work environment.
I voluntarily seek out information about how the organisation I work for is performing	5	7	0	42%	The general consensus is that respondents do not voluntarily seek out information, it is more role specific and the need to do so.

All Respondents said that the environment influences their behaviour within the work place, stating that it is particularly driven from the top down by management; the environment however, was not described as all-encompassing. The majority of respondents stated that they do not believe the organisation has an extensive internal marketing orientation, although the company is moving in that direction and still trying to "*get it right*". Respondents stated that currently information communicated is informing in nature.

- *"I don't think we have a formal one, I think we have our communications department, which is a little bit of that, the play your part magazine is a good way where we talk about our activities in there and it's a lovely medium to do that, I think we could do more"*
- *"I think it's starting to happen but it's not something that was there when I joined"* ***Stated by a respondent directly involved in communication within the organisation***
- *"I think we've got a lot of internal communication and we've got a lot of internal things, I don't think it's effective so if you asked me this question at the beginning of the questionnaire I might have said yes, but now that I've gone through the whole thinking, I think that, the problem here is that we're not communicating what we do here very well and we're not marketing ourselves and the Danone brand very well."*

Employees state that they find out most information via the grapevine, however, there is also a lot of communication via the email system and personal relationships.

4.8 Conclusion to Proposition 3

In the results presented, all respondents stated that commitment to the brand is low (seen through the stated high turnover), with the major contributor to this being the high pressured environment which was a result of changes in management, objectives and most importantly increased expectations as a result of the dissolution of the joint venture with Clover. **Therefore the previously stated proposition holds true:**

Proposition 3.1a: Employee brand commitment will decrease in the aftermath of a co-branding joint venture separation.

In the results presented, all respondents stated that commitment to the brand is low with there being an acknowledged high turnover. Respondents who were part of the co-branded joint venture also stated that staff turnover has increased following the joint venture separation. It

was also stated that newer employees do not remain with the organisation for extended periods of time 1 year to a year and a half. As a result, **the previously stated proposition holds true**:

Proposition 3.2a: Employees who remain with the organisation post a co-branding joint venture separation have higher brand commitment versus newer employees.

4.9 Conclusion to Proposition 4

The respondents across both samples suggested that internal marketing within the organisation is not at an optimal stage. Respondents however, did state that they could actively see that the organisation was improving on the internal marketing orientation. The results also suggest that internal marketing orientation is generally focused on sub-brand and general information which does not necessarily impact their experience with the Danone brand to an effective degree. **Therefore it is proposed that:**

Proposition 4a: Internal marketing orientation is not a priority post a co-branding separation resulting in inconsistent internal brand experience.

4.10 **Results pertaining to Proposition 5**

Proposition 5.1: Organisation learning in a firm, post a co-branding joint venture separation will be mainly driven by employees who were part of the co-branded joint venture.

Proposition 5.2: Post a co-branding joint venture separation; the demerging firm will experience a cultural change, which will be viewed negatively by employees.

During Clover – Danone partnership, respondents stated that there was a lot more interaction with Clover, and thus there was a lot of sharing between the two companies, that has subsided, making it more difficult to share information. Consequently from Danone-Clover – to a Danone only organisation, learning and sharing inside the organisation has become a much more formalised processed and more difficult to get whereas when it was a much smaller organisation information sharing was easier and done through avenues such as meetings, general meetings with the GM and talking.

- *"um after the split, Clover became very suspicious of us and I guess in a way we of them, more them of us, so they wouldn't share information very easily, even stuff that I need from them because they still buying our ultra-Mel bricks, I don't anymore get the full, let's just say pricelists, they'll email and say this is your price and that's it, I don't get a price breakdown anymore and that kind of thing* ***Interviewer:*** *Would you say there's tension between these two companies* ***Respondent:*** *There was yes, especially during the transition"*
- *"I think there is still a lot of information sharing, I just feel sometimes it takes us a while to get the information because I feel people are much more in silos, so sometimes you don't always get the information um that you need, sometimes you can't even talk to the person to get the information you have got all of these different channels you have to go through, where it was easier before at Danone-Clover, you literally if you wanted to know something about sales you walk to the person and you ask them now there's like all of these levels in-between and you can't actually talk directly to them, so I sometimes find it's more difficult to get information where we are today"*

All respondents say that the organisation is driven to help them learn, with the PDR process being mentioned.

- *"Yes absolutely …and I don't even take full advantage of that because I'm so busy but during our PDRs, which is performance development review we sit with our manager and*

we discuss, ok these are the areas that still need developing and then you would suggest something and your boss will, you'll have a joint discussion and the mutual agreement and maybe this is the course we need to go for, so for sure it's one of the targets actually ,KPI, and yea and you need to."

Respondents also state that focus on learning and development has improved significantly from the Danone-Clover partnership, it is now a much bigger focus for the organisation and more formalised.

- ***Interviewer:*** *Would you say there's a bigger focus now on training development*
  Respondent: *Yes, I think that maybe with our new MD, we certainly are, I think a lot of things have changed for the better as well, training has become very critical, I mean we even have a training manager, which we didn't have in the past, our HR we had two people when I joined, was just the HR director, and it was like one person like an HR business partner and then there was an assistant associate, like a secretary and now I mean we've gone to probably over ten including Boksburg if not more, so there's a lot of focus on human resources.*

Eighty three percent of respondents' state that they pass on brand knowledge; the five positive responses said that they were an active part of the induction process and this is how they share information. The one respondent who disagreed with this, did state that if a colleague requested information from them they would oblige. Respondents indicated a similar willingness to pass on brand knowledge during the Danone-Clover partnership, however it was not a formalised process like the induction process currently in at Danone Southern Africa. When asked if they thought co-workers are willing to assist one another, the general consensus was that they were.

- *" Yea, I think most people do, I would like to think, I certainly do yea "*

Respondents say that there has been a cultural change driven by new management, staff turnover, more responsibility from Clover, however, what has had the biggest impact on culture has been proximity to one another [employees]; as the company has become bigger and the separation between departments has grown and distance to upper management has increased it has become more difficult to discern a culture and also influence that culture.

- ***"****um I don't know, I think like in terms of the culture now, It's not a very fun environment, If I can say it like that, I don't know what they do to keep it intact, we don't do a lot of stuff for, if the culture is fine that's what we want to create to motivate our people there's not a lot of stuff being done to actually do it, I think every year we like, where the culture comes alive is when we've got like the management conference and there's nice stuff that*

we do there, there's team building that we do there and everybody has fun together it lasts for about a week or 2 like when you come back and then it's just back to back to a high pressure environment"

- *"it's hard to say because people feel different cultures at different levels, somebody like me who's always dealing with our EXCO, I know the culture on their side but I feel a different culture if you then speak to lower down, not lower down but not EXCO members but more people like you and I, if that makes sense, so there you can feel the difference between the cultures 100%."*
- ***"** at that stage like what I experienced, from my point view is, it was a very fun culture, there was time to work and there was time to play as well, so we had regular um meetings like outside of work where people would go out for drinks sometimes when some of your stuff was done you could leave earlier, you could go, there was a lot of team building activities that we got to know each other as a team and not even just our team and there was interaction with the other teams, what I feel now currently all of the teams basically work in silos but at that stage when it was Danone-Clover, if I talk about marketing and sales we basically worked as one department we would attend some theirs, like their if they had a team building event, we would be invited to attend and if we had events they would be invited to that, so it was a lot more happy and fun culture that was created at that stage"*

Table 15 Danone-Clover & Danone SA Employee responses to learning and knowledge questions

Danone-Clover & Danone Employees	Yes	No	Yes and No/ Sometimes/Maybe	No Response	% of Yes Responses	Notes
[My Organisation] Has processes for acquiring knowledge about our customers.	3	3	0	0	50%	There are processes, however respondents stated that these are department specific, therefore if you are not a part of those departments (e.g. sales), you would not necessarily know about those processes.
[My Organisation] Has processes for generating new knowledge	2	3	2	0	33%	Outside of the marketing department, respondents do not think that there is a lot of emphasis on generating new knowledge, with one respondent stating that it is more reactionary in nature.
[My Organisation] Uses feedback from projects to improve subsequent projects	2	1	3	0	33%	Respondents state that the organisation is selective in what it uses for feedback ○ *" Yes and no, in some we don't use that at all, but yes we do on some to see if it's working or not"* ○ *"Yes. I think some instances yes, some instances no, I think what I've found is that there's been one or two big projects that has really gone wrong and I feel like it's only now that they're taking the learning's and trying to change it. "*

[My Organisation] Has processes for exchanging knowledge throughout the organisation	3	2	1	0	50%	Whilst the respondents agreed that there were processes for exchanging information throughout the organisation, they qualified this statement saying there was room for improvement as there are information gaps departmentally and it doesn't reach all employees ○ *"yeah probably, but they can improve on that, if you ask me the processes, the only thing I think of exchanging knowledge if I look at general organisation, I mean we've got your play your part magazine, which I've seen a lot of information coming though, we've got the monthly meeting, but it's mostly for managers and people at head office, I think they've got something similar for people at the factory but yeah, they probably can improve on that"* ○ ***"****No, I think there are information gaps from department to department, definitely."* ○ ***"*** *No, it depends on the level of the knowledge, there's a secrecy thing, you can't tell this one that so I think we're built not to share knowledge"*
[My Organisation] Has processes for exchanging knowledge with business partners	4	0	2	0	67%	Respondents state that they share information, particularly within the sales/consumer facing departments, however, it is mostly on a need to know basis.
[My Organisation] :Has process for acquiring knowledge about new products in the industry	5	0	1	0	83%	Respondents agree with this, however, they mostly relegate it to a sales and marketing function.

[My Organisation] Has processes for acquiring knowledge about its competitors	6	0	0	0	100%	Respondents agree with this, however, they mostly relegate it to a sales and marketing function.
[My Organisation] Has processes for exchanging knowledge between individuals	4	0	2	0	67%	Respondents agree with this statement, however, they do intimate that it is not formal and does not happen on a regular basis ○ *"I would say yes, maybe not strongly because I don't think people really go out of their way to find this knowledge, but I think yes its available if you're willing to go get it."* ○ *"Yes, in an informal sense. If you want it, you go get it."* ○ *"Yes we do but it's meeting wise etc., it's very informal."* >
[My Organisation] Has processes for transferring organisation knowledge to individuals	4	2	0	0	67%	Those respondents who said yes mentioned the induction and company magazine as ways that the organisation transfers knowledge.
[My Organisation] Has processes for absorbing knowledge from individuals	1	4	1	0	17%	Respondents are of the opinion that the organisation doesn't do enough to get knowledge from employees ○ *"No, I think we've lost so many candidates that had so much knowledge and I would've loved to absorb knowledge from them, but I just didn't have the time. "*

Respondents state that their major source of information since joining the organisation was through their line manager or director, consequently those individuals were also the greatest source of information to the respondents (two respondents also mentioned that those individuals had thereafter left the organisation).

- *"When I joined, most of it was from my line manager, the induction told me a bit about Danone but obviously that's just one presentation and you're sitting there and you forget as soon as you leave>, respondents also mentioned that the induction played a role, although limited, due to its infrequency, as the induction process was not very formalised"*

Only one respondent claimed that they were not encouraged to learn/develop at the organisation, the remaining respondents all said that they were, respondents mentioned the IDP/PDR process which is driven by HR, their line managers and themselves

- ***"*** *so through the, as part of your PDR, your performance review, you'll have certain learning objectives and development areas whether you need to do on the job learning or whether you need to do mentorship, external training whatever the case is, it's for you to decide on that with your line manager and make sure you accomplish that before the end of the year and then outside of that, just general leadership, there's the Danone leadership college which is on a rotational basis so different employees go on it at different times"*

All respondents mentioned that they impart knowledge to new employees, with most of this happening through the induction process which they are formally a part of, respondents also said that they would voluntarily impart knowledge should the opportunity present itself. Furthermore respondents felt that their colleagues would impart knowledge freely, however, you would have to actively seek it.

- *"Yes generally, I think the type of people that we have isn't necessarily indicative of corporate culture, I think the people are nicer than the corporate culture"*
- *" If people ask, but I don't think is just like something people will volunteer to do."*

Respondents all said that the environment influences their behaviour within the work place, stating that it is driven from the top down by management.

When_asked "What does the company do to keep the culture intact in the name of the company's philosophy and values?" The majority of respondents do not believe that the company does much to keep the culture intact

- *"less so than in other companies, definitely…so it's difficult to encourage people to behave in a certain way. I think probably management thinks people are behaving in a sort of a good way, I just don't think that there's sort of that link with branding, you know what I mean almost, mother brand, and people living those values I think that they probably of the opinion that people have good values and they're conducting themselves in a professional manner but they're not trying to shape them in any from my perspective"*
- ***"** I don't know what they do but, oh we have regular communication from the sort of heads of department"*

When probed on what the culture is at the company, a common theme was that it was difficult and high pressured. Very few respondents were of the opinion that it is a balanced environment, those who did, did still point to the environment being high pressured

- *" It's difficult, like I say it's difficult with the, the culture is not bad, I mean people have fun and they enjoy it, like I said there are cultural clashes sometimes because of the whole, it's a French company in an African country, it's quite obvious if you're French in Africa, I mean"*
- ***"**Definitely think there's a culture but the culture which I understand here is work hard and work hard, there's not a lot of let's have fun whilst we do it, there's a lot of pressure to achieve the numbers, as I said to you earlier that the company is going through tremendous changes, as we move further apart from Clover, we're needing to really stand on our own two feet and there's massive pressure on the numbers, there's massive pressure on achieving things that I think that that pressure that's created at a top level filters down to all the levels which, which isn't as motivational and inspiring as it could be"*
- *I think It's quite direct, I think there's a very big element of French, I thin k the French culture is present especially because many of the directors are international, most of them, all of them are international, I think that it's very fast paced, I think that there's high expectation, It's definitely confrontational, I think it's for me, I've been in faster environments and I've been in slower environments, so I think it's actually quite a nicely balanced environment for me personally*

Table 16 Danone SA Only Employee responses to learning and knowledge questions

Danone Only Employees	Yes	No	Yes and No/ Sometimes /Maybe	No Response	% of Yes Responses	Notes
[My Organisation] Have processes for acquiring knowledge about our customers.	8	4	0	0	67%	Respondents mostly said yes, however, respondents clarified by saying that is more in terms of needs of business at the time (i.e. ad hoc basis), respondents also claimed that a lot of the knowledge gained is informal in nature .
[My Organisation] Has processes for generating new knowledge	7	3	2	0	58%	Whilst respondents generally said yes, this was more aligned with what the business needs at the time, with respondents claiming that a lot of this is due to the marketing department. ○ *"Yes and no, I think especially within the marketing team, we're trying to get there, we're trying to build that, you know we've got the cold room trying to expand our knowledge, going to the likes of the Unilever institute discussions but it's not a set process, so it's also on an ad hoc basis"*
[My Organisation] Uses feedback from projects to improve subsequent projects	10	1	1	0	83%	Respondents mostly agreed with this statement

[My Organisation] Has processes for exchanging knowledge throughout the organisation	8	3	1	0	67%	Respondents agree with this statement, however, they did say that it is not optimal**.**
[My Organisation] Has processes for exchanging knowledge with business partners	4	6	2	0	33%	Respondents mostly said no to this question, when information is shared with business partners it is usually on a need to know basis.
[My Organisation] Has process for acquiring knowledge about new products in the industry	9	3	0	0	75%	Respondents mostly said yes, however, it is very informal and driven mainly by the sales team and ad hoc research
[My Organisation] Has processes for acquiring knowledge about its competitors	12	0	0	0	100%	Respondents agreed with this statement, however, the majority is generated by the Marketing/sales department.
[My Organisation] Has processes for exchanging	11	1	0	0	92%	Respondents agreed with this statement, with the exchange of knowledge facilitated mostly by projects (i.e. project teams) and when it is necessary,

knowledge between individuals						respondents also claim that this is informal. ○ *"Within finance yes, because there's different areas in finance, we have knowledge sharing sessions **Interviewer:** Outside of finance **Respondent:** Outside of finance, marketing I'm sure, like marketing often communicate to the rest of the company but I feel it's quite marketing lead, because It's innovation led, so marketing often do but not um, I haven't seen other departments do it."*
[My Organisation] Has processes for transferring organisation knowledge to individuals	7	4	1	0	58%	Respondents mostly said yes, however, a lot of the information presented on a large scale is only topline and presented by senior individual at quarterly reviews ○ *" Yea but, you see knowledge is now like a broad sort of thing, so they communicate some of the stuff, the necessary stuff to everyone but some stuff is just kept in sort of only told to those people that need it."*
[My Organisation] Has processes for absorbing knowledge from individuals	5	6	1	0	42%	Respondents stated that there are no formal processes although this does happen, however, the receptiveness of it is not necessarily to expectations of the respondents ○ ***"**I think it happens, but there aren't like formal processes, Not really, not formally."* ○ ***"**Yes and no and I think why I say no is we don't, when there's staff turnover and in the short time I've been here you see that the same team will sort of revive and kill one project four times over, they'll say okay, why don't we do a three litre maas and yes okay, go and do all the background information, this is just an example,*

						I don't know if it's actually happened on this and then you know, oh wait a minute the old team didn't do that because they realised that they'll never meet the P&L, you know what I mean? So all that work is being done and then less than a year later, carried out again and the finance guys are asked for the P&L, etc. and they'll say, but there is a P&L for that and they'll be like oh someone has already investigated this and that's how the cycle sort of continues, you know what I mean".

4.11 **Conclusion to Proposition 5**

Respondents stated that learning in the organisation was driven by informal processes as respondents stated that there were no formal processes to exchange knowledge within the organisation, business partners and from individuals. **Therefore it is proposed that:**

Proposition 5.1a: Organisation learning in a firm, post a co-branding separation will be driven by informal processes that are inherent in the organisation.

Respondents, who were present for the joint venture separation, stated that there was a cultural change from Danone-Clover to Danone Southern Africa. Across both sets of respondents, the corporate culture was described as high pressured. Respondent who were part of the joint venture went on to state that the corporate culture is also not as "fun" and inclusionary as before the joint venture separation. Respondents stated that as result of the cultural change staff turnover has increased and silos [between teams] have emerged. **To this end, it is proposed that**

Proposition 5.2a: Post a co-branding joint venture separation employees of the demerging organisation will view the culture negatively

4.12 **Summary of the results**

This chapter presented the results concerning the propositions stated in the literature view. The results were as follows:

Table 17 Summary of results to Propositions

Proposition This column lists the propositions suggested at the onset of the research	**Result** This column states whether or not the initial proposition was supported or rejected by the results.	**New Proposition** This column offers a new proposition based on of the research results.
Proposition 1: Employee shared brand understanding will be positively influenced by consistent internal brand meaning communication and employee receptiveness post a co-branding separation, the lack of which will lead to fragmented brand understanding.	***Supported*** by research results.	***Proposition 1a:*** Organisations that invest in brand meaning communication to employees, post a co-branding separation are more likely to create shared brand understanding across all employees.

Proposition 2.1: Brand Promise understanding will be fragmented in the firm following a co-branding separation.	***Rejected*** by research results.	***Proposition 2.1a***: Brand Promise will not be fragmented in the firm following a co-branding separation, provided that the brand promise remains the same.
Proposition 2.2: Employees who were part of the co-branding joint venture will have a different brand promise understanding than to those employees who have recently joined the post co-branded organisation.	***Rejected*** by research results.	***Proposition 2.2a:*** Employees that were part of the co-branding joint venture will not have a different brand promise understanding to employees who were not part of the joint venture, provided that the brand promise does not change.
Proposition 3.1: Employee brand commitment will decrease in the aftermath of a co-branding joint venture separation.	***Supported*** by research results	***Proposition 3.1a:*** Employee brand commitment will decrease in the aftermath of a co-branding joint venture separation.
Proposition 3.2: Employees who remain with the organisation post a co-branding joint venture separation will have higher brand commitment versus newer employees.	***Supported*** by research results	***Proposition 3.2a:*** Employees who remain with the organisation post a co-branding joint venture separation have higher brand commitment versus newer employees.

Proposition	Result	New Proposition
This column lists the propositions suggested at the onset of the research	This column states whether or not the initial proposition was supported or rejected by the results.	This column offers a new proposition based on of the research results.
Proposition 4: The internal marketing orientation of an organisation post a co-branding joint venture separation will not be a formal process resulting in inconsistent internal brand experience.	***Supported*** by research results	***Proposition 4a:*** Internal marketing orientation is not a priority post a co-branding separation resulting in inconsistent internal brand experience.
Proposition 5.1: Organisation learning in a firm, post a co-branding joint venture separation will be mainly driven by employees who were part of the co-branded joint venture.	***Supported*** by research results	***Proposition 5.1a:*** Organisation learning in a firm, post a co-branding separation will be driven by informal processes that are inherent in the organisation.
Proposition 5.2: Post a co-branding joint venture separation; the demerging firm will experience a cultural change, which will be viewed negatively by employees.	***Supported*** by research results	***Proposition 5.2a:*** Post a co-branding joint venture separation employees of the demerging organisation will view the culture negatively

The presented results are discussed in the following chapter in the context of the literature to which they relate.

5 CHAPTER 5: DISCUSSION OF THE RESULTS

5.1 Introduction

In this section, the results pertaining to the propositions are discussed and explained with reference to the literature review. The results are discussed in the following manner:

1. The propositions stated in the results chapter are re-stated and the literature to which they relate is stated
2. The propositions are analysed within the literature to which they relate
3. Analysis is presented holistically and where relevant in the context Danone-Clover and Danone Southern Africa
4. The prevailing themes are presented and discussed following analysis of the propositions (section 5.6)

In the last section of this chapter, section 5.7, a conclusion of the analysis is presented.

5.2 Results Pertaining to Proposition 1 and 2

- **Proposition 1a:** Organisations that invest in brand meaning communication to employees, post a co-branding separation are more likely to create shared brand understanding across all employees.
- **Proposition 2.1a:** Brand Promise will not be fragmented in the firm following a co-branding separation, provided that the brand promise remains the same.
- **Proposition 2.2a:** Employees that were part of the co-branding joint venture will not have a different brand promise understanding to employees who were not part of the joint venture, provided that the brand promise does not change.

Employees must understand what the brand means and how it provides value to consumers in order for its benefits (tangible and intangible) to be delivered. Employees in Danone Southern Africa have a clear understanding of the brand meaning as per K. Punjaisri and Wilson (2007)'s diagram (see figure 8). This however does not fully extend to consistent brand promise delivery.

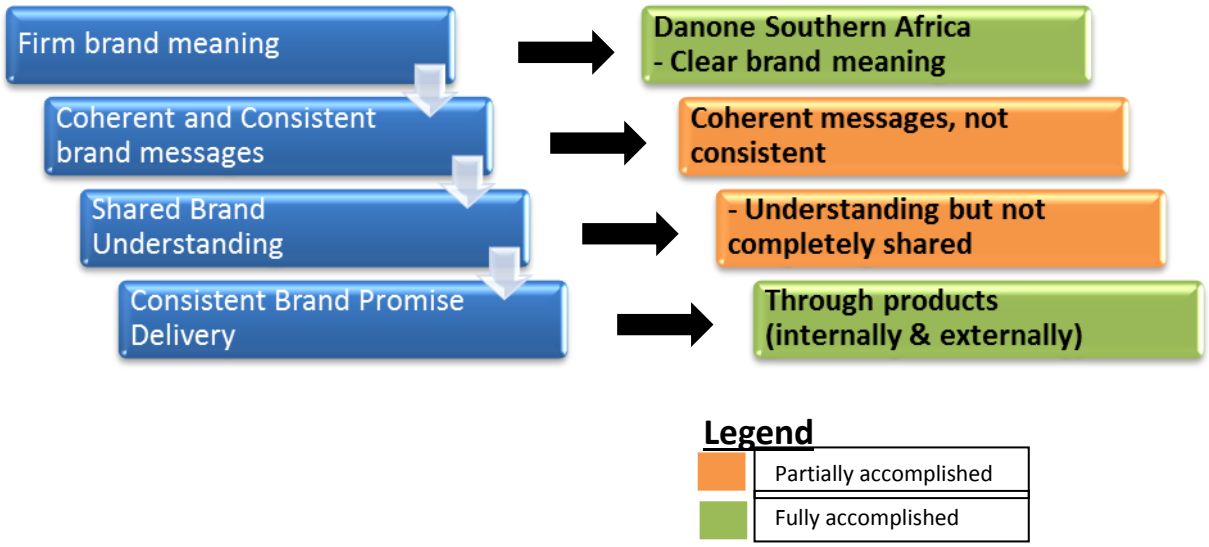


Figure 8 Danone Southern Africa - Shared understanding influence on Brand Promise Delivery

Adapted from K. Punjaisri and Wilson (2007)

Internal brand management is a significant strategic organisational initiative as there is an inherent advantage in having an informed workforce that are able to deliver the brand promise (C. King & Grace, 2007). In Danone Southern Africa's case, the brand promise, to a large extent, has been delivered through product offerings from an internal and external perspective. Whilst respondents had a full understanding of the Danone brand and its promise, however, respondents intimated that the brand meaning was through product offerings (i.e. sub-brands), rather than the Danone mother brand. The Danone brand itself has largely not being communicated internally to stakeholders, barring the infrequent Danone Leadership College.

- *"The Danone brand, there is no Danone brand to be quite honest and that's what we want to achieve"*

The strong sub-brand product offerings have allowed internal and external customers to be attracted to the brand, as customers know the brands (as they were familiar to them due to their being Clover products beforehand). The already established positive associations to the sub-brands and already established brand promise experience within consumers' means that employees have delivered consistent brand experience despite the lack of consistent brand messages.

Danone Southern Africa did not invest in the Danone-Clover brand; as a result there was no new corporate identity or meanings that needed to be created. Danone management simply took advantage of the brand fit associated with the Clover partnership, thus the need to actively advertise the brand to consumers (internally and externally) was reduced.

- *"we still functioned as two companies if I can say it like that, so even though we were Danone-Clover, it wasn't like we went out and a big thing was made about hey, we're Danone-Clover"*

Internally in terms of brand meaning understanding, the transition from a joint venture has been fairly without issue; however, external consumers still view Danone in terms of Clover, which poses a threat as Clover will be a competitor post the restraint of trade agreement. Therefore,

the rebranding process was internal and not external (barring packaging –which was tangible), impacting employees and firm culture.

In Danone Southern Africa, organisational socialisation and the organisational environment have had a much bigger impact on identification with organisational values, beliefs as well as expectations than internal brand management. Employees have delivered, in terms of expectations; however, the claimed high turnover rate suggests that the organisation has erred in its selection of employees' post the joint venture separation, suggesting there has not been fit in terms of newer employees and the organisations values and expected behaviours.

Danone Southern African employees have been able to consistently deliver the brand promise, through making use of the strong, established sub-brands within the South African Market, this can be seen through the dominant position the firm holds within the market place. The brand however, as per respondents, is not clearly defined within the mind-sets of external consumers who still associate the brand to the prior relationship with Clover. The association has been beneficial to Danone Southern Africa over the years; however, this advantage has the potential to become a disadvantage when Clover becomes direct competitors with Danone. Internally consumers have a clear understanding of the brand, however, the meaning is not universally shared by the majority of employees, and this is due to lack of consistent internal communication.

Danone Southern Africa did not invest in a establishing a new brand promise, instead they sought benefit through the alignment with Clover in South Africa (Brand fit) and internally were in line with the Global Danone brand positioning. This suggests that management expected an end to the joint venture in the future. As a result there was no brand promise fragmentation.

5.3 **Results pertaining to Proposition 3**

- **Proposition 3.1a:** Employee brand commitment decreases after a joint venture separation
- **Proposition 3.2a:** Employees who remain with the organisation post a co-branding joint venture separation have higher brand commitment versus newer employees.

- *"I think in HR at the moment, we've got a lot of very critical issues that we need to solve that we need to look at for the success of this organisation and my job in terms of creating succession, creating talent for the future, keeping people retained and engaged in the organisation is very important, we can't keep developing people and then losing them, as a business as an organisation, for continuity going forward, I mean it's absolutely critical"*

As stated earlier, a committed employee is the one who stays with the organisation through thick and thin (Meyer and Allen (1997). This statement, according to the results describes the employees who were part of the organisation, prior to the dissolution of joint venture, as per the quotation below.

- *"The majority of people now, you can see they're only at the company at least a year, a year and a half after then they move on to another role and another company, to earn a better salary"*

In terms of Danone Southern Africa employees, it is evident (based on the results) that pre-the joint venture dissolution, Affective commitment was higher versus continuance and normative, i.e. the employee emotional attachment to, identification with, and involvement in, the organisation was very high. In the post joint venture period, continuance commitment is now the predominant factor, as employees (ones not part of the joint venture – who outnumber pre-joint venture dissolution employees), base their commitment on the opportunity cost or benefits of leaving/staying with the organisation. This results in a lesser desired, functional relationship versus an emotional relationship with the organisation, in other words the employee is only committed in as far as their wants are satisfied. The dominance of the functional relationship

has resulted in increased turnover (thus an increase in costs in recruitment), a negatively viewed culture and the inability to hold onto organisational knowledge due to the increase in turnover. This highlights that a brand-centred style of HR management needs to be adopted to ensure that applicants with high personal identity– brand identity fit are recruited and selected, and that those employees with a high person–brand fit are promoted (Burmann & Zeplin, 2005). This should form part of the management of the corporate brand; however, in companies the alignment between HR and brand is often neglected. This might be due to the fact that evaluating the personal identity–brand identity fit is not an easy task (Burmann & Zeplin, 2005). Danone Southern Africa has is one of these companies.

Whilst commitment is a key variable in determining organisational success, it not the only variable as can be seen by market share dominance that Danone Southern Africa has in the marketplace, however, it could pose a future problem as increased brand commitment leads to desirable brand citizenship behaviour by employees.

A clear distinction between pre and post joint venture dissolution in terms of brand commitment is the drivers of brand commitment. In terms of newer employees in Danone Southern Africa, this is with identification and internalisation. Both sets of employees comply with the brand, however, in terms of identification and internalisation, this is much higher within employees who were part of the joint venture, as result their commitment is much higher than that of the newer employees. The difference in these two sets of respondents (in terms of drivers), is impacted to a large extent by Human Resources within Danone Southern Africa, because, employee brand commitment is related to the employees' perception regarding the way in which organisation constituents perceive their brand and the manner in which the employees experience the employer brand (Kimpakorn & Tocquer, 2008). The Danone Southern Africa Human Resources function according to respondents has not, up to this stage, made employee branding a key business priority which is a necessary input from HR in achieving commitment.

Danone Southern African employees who joined after the joint venture are not as committed to the brand as employees who were part of the joint venture; this is mainly seen through the increased turnover since the end of the joint venture. In the process of the joint venture

dissolution, the organisation did not have as much focus on employees as in prior years, the result of which lead to less than effective recruitment, the lack of moulding a culture as desired by Human Resources and a problem of retention.

5.4 **Results pertaining to Proposition 4**

- **Proposition 4a:** Internal marketing orientation is not a priority post a co-branding separation resulting in inconsistent internal brand experience.

Danone Southern Africa (post joint venture) actively encourages employees to embrace their roles as brand ambassadors through CODE using internal marketing, however, employees do not necessarily buy into it, due to lack of leadership follow through.

- *"CODE which was our values, what are values are and the kind of behaviour which our company expects from you. I think what's difficult is that, it says one thing on paper but I almost feel like the senior leadership, we're not seeing those behaviours being practised, so it's very hard for people in an organisation, who are on the lower levels, so the likes of myself, to drive those behaviours when the very senior management…if your EXCO aren't driving those behaviours"*

The preceding quote shows the significance of HR involvement in internal branding or orientation, as the potential positive impact these activities have on assimilating the brand message on the job. That is, employees seem to have a more positive attitude toward the brand and are more likely to incorporate this image into their work activities when there is some degree of HR involvement in the internal process (Aurand et al., 2005), however this must be followed through by leadership which is HR's responsibility..

Furthermore, employees are not of the opinion that internal marketing has been a priority in terms of affecting the brand behaviour; it has mainly been used as a vehicle to disseminate information, as it is easier for multinational corporations to focus on information dissemination than building culture or even brands.

- *"I think the internal comms* [sic] *when they're there, their more sort of just disseminating information telling you hey, this is happening or this is new or this is what we want to do but I don't think, there's not much structure around how, when, who, where, it could be, it's like an FYI type of thing"*

The lack of brand affecting marketing communication and spatial separation (that is employees working within silo's), further highlights the importance of internal marketing within the Danone Southern Africa environment to build its own identity post the joint venture. Communication should not only be synergistic but also include corporate brand communication with the already in place traditional product branding (Duncan & Moriarty, 1998), currently communication is weighted more toward products. As a result of this, the Danone brand is not viewed as strongly by employees as the already established sub-brands (i.e. the majority of Danone brands were Clover brands prior to being bought).

Internal marketing is done by the communication department within Danone, however, the employees do not consider corporate branding issues as relevant to their daily work (due to the information passing on nature), thus employees have no substantial interest in understanding the brand identity beyond what is expected of them. This has not negatively impacted the success of the organisation; however, it does mean that internal marketing is not being used affectively as a means to build commitment. As a result, in Danone Southern Africa, lateral communication is the dominant influential form of communication. This imbalance in the communication forms has also lead to the slightly haphazard retelling of the brand promise.

- *"I think a lot of it is word of mouth and some stuff is communicated via HR or whatever, some stuff is communicated electronically via email but some of it is word of mouth"*

Danone Southern Africa did not prioritise brand focused and behaviour influencing internal marketing orientation post the joint venture dissolution as other activities were prioritised. This has resulted in a missed opportunity for the organisation to leverage its brand strengths and shape the organisation in its desired image.

5.5 **Results pertaining to Proposition 5**

- **Proposition 5.1a:** Organisation learning in a firm, post a co-branding separation will be driven by informal processes that are inherent in the organisation.

- **Proposition 5.2a:** Post a co-branding joint venture separation employees of the demerging organisation will view the culture negatively

Knowledge is a resource that is valuable to the organisation's ability to innovate and compete within the marketplace, existing in official documents and within individual employees (Bollinger & Smith, 2001). In a company that has undergone a joint venture dissolution, the latter is key as the organisation changes to its newer form. It is also true that in multi-divisional organisations organisational learning (which can trigger innovation) depends largely on links between divisions (Drazin & Schoonhoven, 1996).

Danone Southern Africa employees, post a co-branding separation, did not have to create new positioning and brand promise for the firm, however, whilst generating knowledge the firm has not been extrapolating this knowledge, in a manner/s that allows it to be shared throughout the organisation. Employees however (those that were part of the joint venture), have been doing so informally. Danone Southern Africa has experienced insufficient knowledge management since the cessation of the joint venture. Knowledge management is “knowledge creation, which is followed by knowledge interpretation, knowledge dissemination (learning) and use, and knowledge retention and refinement” (De Jarnett, 1996, p. 3). Knowledge management satisfies the issues of organisational adaptation, survival and competence in light of discontinuous and changing environments (Malhotra, 2000).

- *"….that's changed quite a bit from Clover Danone days to Danone is that the knowledge, we used to know everything, now it's more silos, so it's like you, in the past I used to be marketing, but I was very much involved with sales, so it wasn't like silos, like now I'm actually not allowed to speak to marketing, my boss told me not to do that, we've got a person that does that, which, it's got pros and cons and understand, you can't have 57 people trying to speak to marketing but unfortunately the communication doesn't always come through, so that's where the problem is coming from."*

These employees however are now outnumbered by post joint venture employees who whilst willing to share that information, do not have as much institutional knowledge. Information sharing between individuals has decreased in the period following the joint venture dissolution. This is due to working silos that have made accessing knowledge to be driven by social relationships rather than formal processes. The process of the creation of new knowledge has been driven by the iterative process of articulation and internalisation, however, internalization post the joint venture has been impacted by working silos as well as the lack of sharing outside of these silos resulting in the slowing down of organisation learning.

- *I think they are trying to develop a culture within Danone which will overall affect the Danone brand but, it's still such early days, there's not enough communication, there's not enough communication to support it but what probably my biggest thing is, is that we don't know what they want to achieve with the Danone branding…communications managers or even Danone as a company, where, what do they want Danone to be perceived as, as a brand and how we can support that, so to really understand what communication is [**name removed**] putting out there, what are their overall objectives to achieve.*

Danone Southern Africa has been unable to, at this stage, shape the organisations desired culture, in other words, the organisation values and norms that should be shared by employees and thereafter transferred to new members. A large contributor to this situation is linked to the communication or lack of significant behaviour impacting communication.

This has impacted the company bottom line, in the sense that turnover has been higher since the transition from a joint venture to a singular organisation. This has been encouraged by the perceived and experienced cultural misfit realised through experienced behaviours and attitude.

A brand identity that is lived by the members of the organisation is based on values that correspond with those of the corporate culture (Burmann & Zeplin, 2005). Corporate culture, however, was not a key dynamic considered in the aftermath of the period post dissolution of the takeover, hence the negatively-viewed culture. Furthermore, in Danone Southern Africa today, there are a number of conflicting cultures which add to the culture misfit throughout the organisation, which is explained by a respondent below.

- *"I'll tell you my personal opinion of what I think is going on here, culture is not something that we can spoon feed people with, you can't say this is the culture and this is what you need to do, culture is something that develops and forms over time, I think, so that is my perception of culture and the problem that we're facing here is that we've got international people who want to tell us what the culture should be, we've got people who worked at Clover that tell us what the culture should be, we've got an HR department with a new HR director every single year who wants to tell people what the culture should be and then you've got people in the organisation saying what the culture should be or shouldn't be for them to be happy, so you've got at least, there could be more, at least four conflicting views of what culture should be and then you've got external people consumers, customers, companies from all over that doesn't understand who we are, because we don't know who we are and we haven't communicated it properly, so the problem here is that it is not something that we can give people and that's my opinion it's something that needs to form over time, it's been three years, two and a half, it's a short period. If we build something specifically and we work on it specifically, we might accelerate the process of getting to a defined culture or a defined brand but it's still gonna take time."*

The lack of a defined, strong and positive organisational culture also hampers the sharing of resources and skills amongst employees, which is then further hampered by the silo nature of operations within the company. Whilst knowledge creation and sharing does occur in the company, however, it is not efficient, meaning that the transformation of employee tacit knowledge is not efficiently turning into the organisation's explicit knowledge. This inefficiency

occurs at the first level of the four phases of knowledge creation (Refer to figure 7); where socially within the workplace, cultural misfit and working silos are most impactful.

In Danone Southern Africa, organisation learning has been driven by informal social processes; however, these processes have occurred in an environment that is not culturally efficient. The organisation is attempting to shape the culture and thus its identity; however the culture within the organisation is dynamic and complex due to different levels of culture and general confusion within the workplace of the dominant culture.

5.6 **Themes Stemming from Interviews**

In the analysis of respondent responses to questions four themes and their drivers were prevalent amongst both sets of interviewees. These themes and drivers were:

(1) Theme: Decreased Commitment. Driver of theme: Cultural Change/High Pressure environment, Working environment Silos, Staff turnover;

(2) Theme: Lack of shared brand meaning understanding amongst employees. Driver of theme: Internal brand communication, sub-brand dominance;

(3) Theme: Acknowledged Global Competitive Advantage. Driver of theme: Quality product offering, Focus on learning/development and;

(4) Theme: Identity Confusion. Driver of theme: Benefit from association with Clover

Table 18 below presents the themes, the research findings as well as verbatim quotations from participants.

Table 18 Themes relating from employee's perspective of co-branding separation on brand commitment

Themes	Research Findings	Verbatim Quotations from Research participants
1. Decreased Commitment **Drivers** – Cultural Change/High Pressure environment, Working environment Silos, Staff turnover,	• Commitment has decreased since the joint venture ended. • Commitment is lower within employees that were not part of the joint venture • The organisation has become higher pressured since taking more responsibility from Clover • The working environment is not at an optimum to promote employee sharing, knowledge creation and singularity in the name of the brand • There is no clear defined culture with a number of conflicting cultures within the organisation.	○ *"If you look at Clover as a company they are very, it's gonna sound weird if I say it, Afrikaans type company, so they've got different cultures, they've got different ways of how they're doing things, different behaviour so that's where you could see the split between the two companies in terms of behaviours. I mean we would probably from our company point of view be here 7'O clock in the morning, working until late in the evening, whereas that may not be a behaviour they would do necessarily on their side, if you look at the call centre at 4:30pm, they knock off, they go, so I think in terms of companies we've got behaviour that is driven from a group Danone point of view where they have more a South African type of values if I can say it."* ○ *"I think it was higher, the culture was very different at that stage I mean we have gone through different GMs, different marketing directors, if I just speak for myself the culture was very different at that time, if look at the EXCO as well there were more south African people in the EXCO at that time than what we have today, so in terms of culture to create commitment it was more fun environment and people were more committed when it was Danone-Clover than what it is today when it's just Danone."* ○ *"I think the culture back then, I think was a lot easier and a lot more free and open whereas now it's a little bit more tough, although we've got, I mean a good culture but, it's we know the culture but It's not always easy to live if that makes sense."* ○ *"I like to think that I'm a humanist, I'm still looking for humanists here, it's because that's one of the things they guarantee humanism, what values? <interviewer: in terms of CODE> I'm definitely committed, openness, I don't*

		think we practice that here, I think there's a blame culture here so everybody is too scared, empowered…no decision goes out of this company without Mario's approval and directors approval, so I don't think there's empowerment here even though they do say it, I think we're micromanaged. I'm definitely committed and doer" ○ *"I think the culture back then, I think was a lot easier and a lot more free and open whereas now it's a little bit more tough, although we've got, I mean a good culture but, it's we know the culture but It's not always easy to live if that makes sense."* ○ *"Yeah I think Danone has the potential to be an amazing company, I think it is a great company already but I just think that, what the brand wants to stand for is great, I think we need to work on our own culture though, because that will be the thing that really that will really be thing that get us to that Interviewer: So, you don't think your meaning is shared by the rest? Respondent: No and I don't think my initial meaning of Danone, is probably, I think that it is changing as I think that I've been here a few months I'm realising that it's not maybe what I thought it was"* ○ *"Two things, number one we've had a lot of turnover in HR, the management levels as I said a new HR director every year, with a different view and a different opinion, with not enough time to anchor and action what they decide or what they plan, so that's the one and the other thing, I think that people were busy with stabilising the business and stabilising the ground work almost the foundation of what we need to do and so it's about putting proper process and system in place it's not about beautiful cultural stuff, however that's important but that's not the thing that people focused on first, fighting fires."* ○ *"I think commitment is just your will or how are far you willing to go to make sure that something is done properly….Responden2: I think everybody here works very hard, I think people are committed, I think that people are less committed maybe because maybe they feel like the culture is not what they want and that leads to almost them becoming disengaged with the company and if an employee is disengaged then they are not gonna be as committed*

		as much, they might be the most hard working person, but then they just won't, that commitment won't come through, so I think that we've got some very good people but that potentially, they are struggling to feel committed because of their levels of engagement aren't very high and that's a cultural thing" ○ *"I think there is still a lot of information sharing, I just feel sometimes it takes us a while to get the information because I feel people are much more in silos, so sometimes you don't always get the information um that you need, sometimes you can't even talk to the person to get the information you have got all of these different channels you have to go through, where it was easier before at Danone-Clover, you literally if you wanted to know something about sales you walk to the person and you ask them now there's like all of these levels in-between and you can't actually talk directly to them, so I sometimes find it's more difficult to get information where we are today"* ○ *"you know work life balance here is obviously is a big issue,"*
2. <u>Lack of shared brand meaning understanding amongst employees</u> Drivers: Internal brand communication, sub-brand dominance	• Brand meaning understanding is fragmented within employees • Internal brand communication has not sufficiently satisfied the need for brand aligned communication and thus is not seen as behaviour changing.	○ *"definitely, but as I said to you, you can't really compare because the company was so much smaller, so it's much easier to get everyone together and to speak to everyone, it was word of mouth, that's what is, but it was much easier then, than what it is right now. It's far more corporate, the company has changed dramatically since I started ten years ago, yes, we were three people in marketing then doing all the brands."* ○ *"yes, no, that's what I'm saying, it was more the communication was far better um I think perhaps because of and I'm not slating the current management style, I mean that's not my aim but management were far more approachable and more open to discuss things then what it is right now."* ○ *"I think it's done unintentionally, so we don't say live the Danone brand, we say let's go out and do an ultra-Mel display or let's go out and run a promotion, or now it's time to recruit people so let's go out and do it, it's not an on-going continuous, let's communicate the brand thing, the only example I might have of that is the Danone Nations Cup, where it's a thing we run every year, that is to build our brand, that is where we invest in and*

		that's where we build country wide loyalty toward our brand, but I mean we're not all involved there either." ○ *"I think we are starting as a company now to talk more about the Danone brand and wanting to get consumers, so we are thinking about ideas to do ads around specifically to drive the Danone brand out there, but I don't think , I think we are more here focused on purely on our brand specific then the bigger mother brand"* ○ *"Chances are most employees don't know the brand values are, you can try to promote something but unless you can actually say this is good for you, how? And then you can explain it I think Interviewer: Why do think employees don't know they values? Respondent: cause it's not communicated mean you know your code and like that but or the Danone core values or whatever, but in terms of like the brand I mean to say this is why you need to eat yoghurt, this is why, that stuff is not promoted or it's just, I remember when I joined we had that whole induction thing, I think they mentioned all of that but after that I mean."* ○ *"I'm proud to be a part of the company because, I think that the sub-brands which we have and which I'm mostly involved in, are massive brands in South Africa in terms of the heritage that they've got behind them, they're exciting brands to work on, they've got a lot of equity behind them that's, yea that's pretty much it."* ○ *"It does I mean, well it's the sub brands I think that's my problem that, in terms of customers I mean no one knows, they only think Danone, I mean NutriDay they sort of link to Danone but everything else is just sort of on its own and before I joined here, I also didn't know, like yogi sip, I just though yogi sip was yogi sip and that's their brand so I didn't know that it was part of Danone."* ○
3.Acknowledged Global Competitive	• The company (global) has a very strong competitive advantage in the minds of	○ *"It , when I think of Danone, I think instantly of a global company, someone, something that's international and recognised across the world, but I think highly of it, it's a premium company."*

Advantage Drivers: Quality product offering, Focus on learning/development	the organisation, which is not leveraged by the organisation to benefit. • Since the split from Clover, the organisation has emphasised Formal learning and development which is aligned to global practices, this is viewed positively by employees.	○ *"To me, the mother brand itself means, yeah I would say quality in a sense, well it denotes quality and I would say it means, it's strange because in my mind I still see it as an international company, so when I think of Danone I don't think of South Africa, which is not how we want really to portray, you want people to see it as part of their local sort of like environment and things like that, so to me it's sort of like the international aspect speaking more to the quality if you know what I mean, thinking more about things coming from other countries are to be better but that's just from a personal perspective but I think health and pleasure is what it would mean to me"* ○ *"I think that they, by having things like IDP, so it's obviously a priority for them, they want people to develop, even by just sending, you know going overseas, you know to the global workshop, I think that's an encouragement from them saying that you know, we want you to get out there and see what's going on, so yeah. I think it's important"*
4.Identity Confusion Driver: Benefit from association with Clover	• Employees recognise that there is clear link to Clover in terms of products and the organisation has not created enough brands since the split to actively be seen as separate from Clover • Employees acknowledge that in the market place that there is confusion with regard to Danone and Clover, with a still significant portion of the market associating Danone to Clover	○ *"The other brands we have like custards, is a block buster but that we bought from Clover. So this <Yo-Jelly> is the first one we've launched that's done well, that's not supported by Clover or from group, this one is a real innovation which I will give them credit for, this one I'm really proud of, but I can't really be proud of, you know especially coming from Clover. Yes, our bought products are doing well, but that was always the case, even at Clover."* ○ *"Not much hey, since I joined and I started seeing like how different we are from Clover but when I got here, I thought Danone-Clover same thing, now I'm starting to realise that there are certain things, like Clover for instance would do that we don't do and I don't think that uh, the brand is that strong, I don't think it has an identity per se, so that's how I view it"* ○ *"It's very challenging times, you've got this Danone brand but I mean, we even sat at the same offices as Clover, I think we still piggyback a lot on the Clover brand…not the same building, just the same premises as currently. We still depend on Clover a lot, the call centre was run through Clover, it's only now that we have our own, we're only in the top 1000 stores with the people we've got all the rest of the sales is still done by Clover. So I believe*

		our brand is still associated with Clover." ○ *"felt the same about the company but there was always that thing of, yes even though we were Danone-Clover, we ourselves, saw ourselves just ask Danone and we wanted to get away from the Clover name, so even though we were trading as Danone-Clover, we wanted to get away from that name whereas now, I feel really proud about just he Danone brand because we finally managed, yes there's still some of our brands that people still mention Clover here and there but I think we've come a long way in establishing the Danone brand and I really feel proud moving away"*

5.7 **Conclusion**

This chapter investigates the results pertaining to the effects of a co-branding joint-venture separation, where the brand commitment of employees from the separated organisation was explored. The case study revealed that following the co-branding joint venture dissolution from the perspective of employees, that brand commitment decreased since the joint venture ended and that commitment is lower for employees that were not part of the joint venture.

A number of environmental changes have also occurred in the organisation, particularly with regards to culture, work pressure, the lack of brand linked communication and knowledge creation/learning throughout the organisations. Employees acknowledge that there is marketplace confusion with regard to Brand Danone, however, employees also recognise internally that the brand has a competitive advantage inherently, particularly on a global platform.

Four key themes also arose from the study, these were that there is decreased commitment (1) within the organisation; there is a lack of shared brand meaning understanding amongst employees (2); employee acknowledgement of the global competitive advantage (3); and Identity Confusion (4).

To conclude, table 19 revisits the propositions stemming from the research questions, as we:

Table 19 Summary of Propositions

Proposition 1a: Organisations that invest in brand meaning communication to employees, post a co-branding separation are more likely to create shared brand understanding across all employees.	
Summary	Danone Southern Africa did not invest in brand meaning communication, thus whilst internally consumers have a clear understanding of the brand, externally the meaning is not universally shared by the majority of employees, this is due to

	lack of consistent internal communication.
Proposition 2.1a: Brand Promise will not be fragmented in the firm following a co-branding separation, provided that the brand promise remains the same. **Proposition 2.2a:** Employees that were part of the co-branding joint venture will not have a different brand promise understanding to employees who were not part of the joint venture, provided that the brand promise does not change.	
Summary	Danone Southern Africa did not invest in a establishing a new brand promise choosing to leverage the synergies (brand fit) between itself and Clover. This allowed for easy familiarity within the market by consumers but also lead to lower than desired shared brand understanding by employees and consequently the external environment.
Proposition 3.1a: Employee brand commitment decreases after a joint venture separation **Proposition 3.2a:** Employees who remain with the organisation post a co-branding joint venture separation have higher brand commitment versus newer employees.	
Summary	Employees stated that commitment decreased after the joint venture separation, stating the increased turnover as the evidence. Danone Southern African employees who joined after the joint venture are not as committed to the brand according to the results, a large contributor being the lack of high person – brand fit.
Proposition 4a: Internal marketing orientation is not a priority post a co-branding separation resulting in inconsistent internal brand experience.	
Summary	Danone Southern Africa did not leverage its brand strengths and shape the organisation in that desired image as internal marketing was deprioritised

	following the cessation of the joint venture.
Proposition 5.1a: Organisation learning in a firm, post a co-branding separation will be driven by informal processes that are inherent in the organisation. **Proposition 5.2a:** Post a co-branding joint venture separation, employees of the demerging organisation will view the culture negatively.	
Summary	Learning and knowledge creation (outside of formal courses) has been driven by social relationships and by employees who were part of the joint venture. Learning however, has not been optimal due to the negatively viewed culture. There are a number of culture clashes within the organisation (international, local, Danone vs. Clover, etc.) adding credence to the employee held thought that the organisation identity is not always clear on a local level.

6 CHAPTER 6: CONCLUSIONS AND RECOMMENDATIONS

This chapter concludes this study. First, it presents (6.1) the conclusions, (6.2) the managerial implications and recommendations and finally (6.3) areas for future research are suggested.

6.1 Conclusions of the study

This study explored the effects of a co-branding joint-venture separation, on the brand commitment of employees of the separated organisation. It explored the process of the separation from a case study perspective. The gap in the knowledge that this study intended to fill was the understanding of the effects of a co-branded joint venture separation on employee brand commitment, particularly in the context of an emerging nation.

The main problem of this research was posed as: Co-branding joint venture separation may have a positive or negative impact on employee brand commitment, which could either enhance or harm the future performance of the separated firm. The results of the study show that a co-branding joint venture separation has a negative impact on brand commitment, in that brand commitment decreases after the dissolution of the joint venture. In this specific case study, from an external perspective, Danone's brand performance has not been negatively impacted particularly in terms of market performance, that is, market share where Danone is the dominant player within its category. The corporate brand, however, has been negatively impacted in terms of external brand recognition. Respondents stated that there was confusion between the Clover and Danone brands in the external market with consumers seeing Danone as part of Clover South Africa.

The Danone brand performance was not impacted negatively in the marketplace by the dissolution of the joint venture; this in a large part is due to the fact that there was high fit between the two organisations that merged. Meaning that the two organisations had strong market performance during the joint venture and that there was a manageable transition post

the joint venture dissolution within the marketplace on a brand level (in that the Danone only brand had benefited from Clover and was still seen as a quality dairy brand, despite brand confusion). A restraint of trade agreement post the joint venture dissolution also meant that confusion was not further exacerbated in the marketplace as Clover could not become a direct competitor to Danone for a period of 5 years. Danone Southern Africa also bought the dominant sub-brands that were in the market from Clover, e.g. Ultra-Mel, meaning that consumers could experience stability in their brand preferences, as the only visual change to packaging was the visual removal of the Clover brand on the packaging. The inability of competitors to take advantage of the dissolution of the joint venture, as well as manager performance in managing the brand post dissolution allowed the organisation (Danone) to grow within the marketplace. Management invested in the marketing of sub-brands through above-the-line and below-the line activations, product innovation and product extensions to further cement the brands standing in the marketplace. All of the above listed reasons meant that the brand has continued to perform well within the marketplace.

Danone has however, been negatively impacted internally by the dissolution. The organisation has experienced high turnover across senior, middle and junior management. This has led to a loss of institutional knowledge, in that human capital (and thus advantage) has left the organisation. The organisation has also experienced a negative culture in the eyes of the internal stakeholder, which in part has been a large contributor to the "brain-drain". Whilst the restraint of trade agreement has been in place with Clover, the internal impact on the brand has been minimal and masked by the external performance. However, the agreement comes to an end at the beginning of 2015, meaning that Clover can enter the markets as a direct competitor to Danone Southern Africa. The entrance of Clover could dramatically change the dynamic of the marketplace due to the acknowledged (by Danone employees) brand strength of Clover within the South African landscape. Furthermore, the previously advantageous (to Danone) brand fit with Clover could potentially become a disadvantage, as Danone never addressed the identity confusion in the consumer market place with marketing activities.

This study also posed the sub-problem: The extent to which employees understand what their organisation's brand represents post a co-branding joint venture separation will either have a positive or negative effect on corporate brand performance. The results suggest that due to the

high fit between the joint venture, that understanding of the brand is negated as an issue as there is a general understanding by employees, thus not leading to a negative impact during dissolution, but rather a positive one as transition by employees was fairly easy. The dominance of the sub-brands also made it somewhat easier for employees to continue to perform, as those brands were already well established within the organisation and the country. The problem arises in that brand commitment decreases (as previously stated) and internal marketing orientation is not linked to behaviour impacting activities in line with the brand and its values. This leads to a lack of shared brand, meaning understanding and the fact that employees pick and choose what they identify with from the brand and not the holistic image that the organisation would want. Whilst this has not impacted the brand in terms of market share, it can be reasonably argued that the reason there is confusion in the marketplace (Danone versus Clover) is that employees had a better understanding of the sub-brands over the Danone brand. This is due to familiarity and exposure to those sub-brands, in that the majority of employees (excluding expats) grew up with those sub-brands and now work on those sub-brands, whereas they need to learn about the mother brand, Danone. Since employees had more familiarity with the sub-brands, employees may have focused on the sub-brands rather than the mother brand as a vehicle to promote growth through marketing activities, whilst the Danone brand was only used sparingly and never as a competitive advantage within the marketplace. As stated earlier, Clover has high familiarity within the marketplace, should Clover launch competitive products and use their name as an advantage; it will be up to Danone to decide whether or not to use sub-brand familiarity within the market or the Danone mother brand as a defender.

Lastly, the second sub-problem of this study was: Corporate brand performance will be positively or negatively affected by the extent to which employees understand their organisation's brand promise post a co-branding separation. It was clear in the results that the organisation (Danone Southern Africa) did not change their brand promise (pre or post the joint venture) and in fact shared a brand promise with Clover in the marketplace. This meant that brand promise was not a factor in corporate brand performance, due to the high fit between the two organisations.

The study also showed that employees who remained with the organisation post the co-branded joint venture separation had higher commitment than employees who joined post the joint venture separation. This was highlighted by increased turnover post the separation. The increase in turnover was fuelled by a number of factors, including a negatively viewed culture post the separation, increased work pressure (due to more responsibility taken on by Danone Southern Africa post separation), brand identity confusion, lack of investment in brand communication in the name of the brand, a lack of knowledge management and de-prioritisation of behaviour changing internal communication and importantly lack of person-to-organisation fit in recruitment exercises. The joint venture was very successful for the two organisations due to the brand fit between the two firms, resulting in the brand promise not being fragmented post the separation between both sets of respondents (Danone-Clover and Danone employees and Danone Southern Africa only employees). Whilst there were informal processes for learning within the organisation, it was recognised that a more formal and prioritised knowledge management process needed to be started by the organisation.

Managerially, this study makes a contribution to managers by demonstrating which issues need to be given attention during a co-branded joint venture separation, particularly in emerging markets where the organisations had brand fit. These issues or themes were, from an employee perspective decreasing commitment, lack of a shared brand meaning understanding amongst employees, an acknowledgement and appreciation of the global brand and the advantage that allows, and lastly, identity confusion within the market.

6.2 Managerial Implications & Recommendations

The gap in the knowledge that this study intended to fill in part, was the understanding of the effects of a co-branded joint venture separation on employee brand commitment in the context of an emerging nation. Due to the sample features of this study, final recommendations should be considered with caution. Further research is required to validate and generalise learnings, particularly within contexts other than those of fermented dairy in the fast moving consumer goods market. There are management implications that follow from this research. The

managerial implications and thus recommendations, do not stray from established brand commitment best practice, however more emphasis is placed on certain aspects.

First, it can be concluded from the research findings that in managing employee brand commitment following dissolution of a venture, commitment is a significant issue that needs attention from senior managers from the outset. It is imperative that a stable human resources department, in conjunction with communication and marketing, build a culture and work environment that is conducive to creating organisation advantage through human capital. That is, haphazard recruitment (i.e. lack of person fit and organisation fit), lack of brand related - brand affecting communication and leadership example are areas that should not be deprioritized and 'sorted out' later. These issues are dynamic and should be incorporated within the priorities of change, as this will not only help the bottom line (less recruitment costs for example), it also assists with knowledge management in a knowledge centred market environment. Additionally, companies using knowledge management extensively were on the whole those reported to be more innovative, readier to cope with change, and better able to access knowledge than other firms (Bennett & Gabriel, 1999).

Second, before embarking upon a co-branded joint venture, companies and managers alike need to know what they are getting themselves into. This will enable them to better manage the business expectations in terms of employee behaviour, knowledge capital revenues, country culture, timelines and overall impact on customer delight and loyalty. In conclusion, both multinational corporations expanding into Africa and local South African companies who intend to expand into other growth markets should find this study insightful in terms of employees and their perspectives; Recommendations stemming from these perspective are below categorised under (1) Brand Commitment recommendations; (2) Internal Brand Communication, Marketing and Branding recommendations; and (3) Brand learning and Knowledge recommendations.

(1) Brand Commitment recommendations:

The following recommendations are related to improving brand commitment, in the name of the companies' brand identity. The strength of a brand depends on the consistency of the customers' brand experiences along all customer brand touch points, which are determined by the brand's identity.

- Culture and context: The context or environment, and thus the leadership within that environment should set an example for employees within the organisation. Leaders within the organisation must be looked at by employees as providing guidance in terms of behaving in the name of the brand, in the case of Danone Southern Africa; leaders should portray the CODE values overtly and also account for when they do not. Leaders should not only be responsible for behaving in line with the brand identity, it is the Human Resources department's responsibility to ensure that a top-down and bottom–up approach is used in affecting brand linked behavior. Human Resources should put an effort into translating values into daily activities with which employees can then associate.

- Another implication from this study concerns the process of selecting the right candidates. It is reasonable that employees did not mention the recruiting process as relevant to the brand commitment within the organisation as it relies on human resources management to be responsible for selecting and recruiting the right applicants in the name of the brand. Although management contended that the ideal situation was to recruit the employees whose values fit with the organisations, this was not initially done, thus leading to increased turnover post the joint venture dissolution. It is important that a policy of "bums-in-seats" is never the default option. Recruitment selection should always be prioritised, particularly for an organisation undergoing significant change.

- Management should attempt to use internal branding to enhance their employees' brand performance. Management should deploy internal branding to enhance their employees' brand attitudes, as well as its distinctiveness to enhance their pride towards the brand to enhance their commitment. Brand centred HR activities, brand communication and brand leadership are only impactful, however, if the context factors of culture and structure fit, employee know-how and disposable resources are aligned with the brand identity.
- Although every organisation must consider it's organisational set-up of communications functions with regard to its philosophies, historical past and culture or desired culture, a strong integration through long-term (e.g. reward and recognition programmes) and short term measures (e.g. spot re-training on values) are necessary to impact behavior in the name of the brand. Lastly, organisations are recommended to use both internal communication and training to influence employees' brand-supporting attitudes and behaviours.

(2) Internal Brand Communication, marketing and branding recommendations

The following recommendations are related to using internal communication and activities (in the name of the brand). These recommendations will positively affect brand understanding. The role and importance of branding should be tied directly into the organisations marketing business activities and strategy in order that internal customers are able to present a clear identity and purpose to the relevant external stakeholders.

- An internal communication strategy is an integral element in a successful brand equity strategy, thus communication must be seen by management as a strategic activity rather than as a tactical activity. A process of internal brand management with clear responsibilities should be implemented for all corporate brands, and placed within the scope of the communications department who incorporate feedback from customers (internal and external), prospects, and competitors into the internal brand strategy.
- The successful application of the internal communication strategy should be preempted by the organisation having a fully formed, realistic and actionable upon brand identity.

Therefore, organisations should focus on efforts that define and develop brand identity first. Thereafter, the responsible managers (i.e. communications department) should concentrate on communicating that brand identity to every individual responsible for the firm's marketing communications efforts. Employees have a more positive attitude toward the brand and are more likely to incorporate this image into their work activities when there is some degree of senior management/HR involvement in the internal branding process.

- Organisations however, should avoid confusing the internal communication strategy and brand/sub-brand strategy. That considered, the relationship between the two sets of activities should be carefully managed to avoid potential conflict. The focus of brand strategy should be on the brand as a strategic entity and what it means for the customer, not on the broader issues of the corporate citizenship that may or may not be relevant for buyers.
- Lastly, the entire organisation should be taught to recognise the value of branding and the organisation's role in delivering brand value to its consumers, in other words, whilst only a few individuals may be responsible for developing the brand strategy, the whole organisation is responsible for its implementation

(3) Brand learning and Knowledge recommendations

The following recommendations are related to brand learning through the use of knowledge management.

- The organisation must provide various means for effective member interactions: dissolution, beyond standard manager meetings. This can be done in a number of ways e.g. formalized presentations to other departments, different seating arrangements (avoiding silos), formal training with internal employees who are custodians of certain knowledge banks. The onus, however, is on the human resources department in consultation with the different members of the organisation to choose the most relevant practices to their organisations.
- The outcomes of the study underscore the value to organisations experiencing change, to develop formal knowledge management procedures. Companies which use knowledge

management are able to be more innovative, readier to cope with change and better able to access knowledge than other firms. A formal knowledge management process also means that the organisation retains intellectual capital regardless of flows of employees in and out of the organisation. It is recommended that organisations use the process developed by McCampbell, Clare, & Gitters (1999) as a reference to begin formal knowledge management within the organisation.

- Lastly, an organisation wishing to learn as an organisation is unlikely to succeed unless it brings about the kind of culture that will support learning, that is organisations must create space for the creation of shared meaning, relationships and providing cultural tools to mediate learning.

6.3 Suggestions for further research

The limitations of this study include the use of a single sample, as well as failure to use more than one independent coder for qualitative analysis, together with the need for greater diversity of co-branded joint ventures and regions undermine the generalizability of the study. Although this research has provided initial findings concerning brand commitment after co-branding joint venture separations from an employee perspective, a consumer evaluation on the effects of the dissolution would allow academics to have a well-rounded view, versus an employee only investigation. The collection of consumer data is therefore recommended for future research.

As the research was conducted among current employees of Danone Southern Africa, this may have impacted on the findings. In particular, given that some of the sample group had studied Marketing, Communications and Human Resources management, they may have engaged in a greater level of analysis or reasoning when evaluating co-branded joint ventures and commitment. It would also be valuable to assess the impact of 'co-brand evaluation' on each of the 'original' cooperating brands. That is, to investigate a link between the co-branding alliance and whether this weakened original brand evaluations for each of the partner brands.

Furthermore, it is recognised that Clover South Africa will enter the market as competitors to Danone Southern Africa from 2015 onwards, in selected markets. Given that the two organisations will become competitors, it offers an opportunity for a longitudinal study on the two organisations and how they interact (in the areas of brand standing, identity, employee perception, market share and brand interaction with consumers) over the coming years.

Finally, this research was limited to the fermented dairy industry; however, co-branding as a strategy is also an important concept in relation to other FMCG industries and services. It is thus recommended that research on co-branded joint venture separations and their impact on brand commitment be done in different segments.

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APPENDIX A: ACTUAL RESEARCH INSTRUMENT

DISCUSSION GUIDE:

INTRODUCTION

Thank you for allowing me the opportunity to interview you today. My name is Mukundi Munzhelele and I am doing research for the purposes of completing a Masters in Management: Strategic Marketing Degree from the Wits Business School. The purpose of our interview today is to gather your thoughts and opinions on the Danone brand following the split from Clover. Before we begin the interview, I would like to go over a few logistical points:

- The interview will last approximately forty-five minutes to an hour.
- This interview is for scholar research purposes only.
- Please be assured that everything we discuss during this interview will be kept in strict confidence and your real name will not appear in any of my results. As such, please make every effort to be open and honest when responding to the questions.
- For data capture purposes, this interview will be recorded on audio tape, for the purposes of transcription following this interview
- If you are uncomfortable with any of the questions, please note that you are under no obligation to give a response

Demographics

	Question	Response	
Dem 1	What is your name?		
Dem 2	What is your current position at Danone Southern Africa?		
Dem 3	How long have you worked at Danone Southern Africa?		
Dem 4	Where you an employee of Clover/Danone (The joint venture)?	**Yes –if Yes go to Dem 5**	
		No – If No go to Question 1	
Dem 5	What Position/s did you hold during your employment as part of the joint venture?		

Questions:

Question 1:

Main: Do you know what the organisational aims & goals are of Danone Southern Africa*?*

Follow-up*: Could you tell me what these are?*

Follow-up (if was a part of Danone-Clover) *– Can you tell me about this in the context of Danone-Clover*

Question 2: Can you explain to me in your own words what a brand is?

Question 3:

Main: Do you understand/ what the Danone brand stands for?

Follow-up*: Can you tell me what the brand stands for?*

Follow-up (if was a part of Danone-Clover) *– Can you tell me about this in the context of Danone-Clover*

Question 4:

Main: What does the Danone brand mean to you?

Follow-up*: Do you think, that this meaning is shared by the rest of your colleagues – if yes, please tell me why, if not please tell me why?*

Follow-up (if was a part of Danone-Clover) *– Can you tell me about this in the context of Danone-Clover*

Question 5:

Main: Do you understand what you need to do in your job?

Follow-up*: Can you describe to me what it is that you do?*

Follow-up (if was a part of Danone-Clover) *– Can you tell me about this in the context of Danone-Clover*

Question 6:

Main: Do you believe that you have ALL/MOST of the knowledge to perform your job in a way that supports the brand understand it?

Follow-up*: If yes – why? If not - why?*

Follow-up (if was a part of Danone-Clover) *– Can you tell me about this in the context of Danone-Clover*

Question 7:

Main: Can you see how your job performance affects the organisations success?

Follow-up*: If yes – why? If not - why?*

Follow-up (if was a part of Danone-Clover) *– Can you tell me about this in the context of Danone-Clover*

Question 8:

Main: Can the people in your team/dept. see how you contribute to the organisational goals?

Follow-up*: If yes – why? If not - why?*

Follow-up (if was a part of Danone-Clover) *– Can you tell me about this in the context of Danone-Clover*

Question 9:

Main: Can you please explain to me the internal **brand** communication that happens in Danone Southern Africa?

Follow-up*: Do you feel that it is sufficient? If yes – why? If not - why?*

Follow-up (if was a part of Danone-Clover) *– Can you tell me about this in the context of Danone-Clover*

Question 10:

Main: Does the internal **brand** communication help you understand how you should act, in your job responsibilities?

Follow-up*: If yes – why? If not - why?*

Follow-up (if was a part of Danone-Clover) *– Can you tell me about this in the context of Danone-Clover*

Question 11: Could you explain to me in your own words what a brand promise is?
Question 12: **Main**: Could you please tell me, what the Danone Southern Africa Brand promise is? ***Follow-up (if was a part of Danone-Clover)*** *– Can you tell me about this in the context of Danone-Clover*

Will you please answer the following with a yes or no answer, followed by the reasoning of your response:

Question 13.1: I feel confidence in the Danone Southern Africa brand	**Yes**	**NO**
Question 13.2: The Danone Southern Africa Brand has a good reputation with customers.	**Yes**	**NO**
Question 13.3: If Danone Southern Africa makes a claim or promise about its service, it is probably true.	**Yes**	**NO**

Please answer following with a yes or no response:

Question 14.1: Brand related information booklets/pamphlets are distributed to employees?	**Yes**	**NO**
Question 14.2: Branding issues are communicated to employees?	**Yes**	**NO**
Question 14.3: Employees regularly discuss possible branding issues?	**Yes**	**NO**
Question 14.4: Employees are counselled in branding issues	**Yes**	**NO**
Question 14.5: Employees are encourage to improve their behaviour in the name of the brand	**Yes**	**NO**
Question 14.6: Employees live the brand when dealing with customers/consumers	**Yes**	**NO**
Question 14.7: Danone Southern Africa employees quickly generate sales of new company brands	**Yes**	**NO**

Question 14.8: Danone Southern Africa employees live up to the brand values when dealing with customers/consumers	**Yes**	**NO**
Question 14.9: Danone Southern Africa employees verbalise brand values when dealing with our customers/consumers	**Yes**	**NO**
Question 14.10: Danone Southern Africa employees acts as brand ambassadors of the company	**Yes**	**NO**

End of Yes and No section

Question 15:

Main: Could you please tell me, what communication medium/s Danone Southern Africa uses to communicate its Brand promise?

Follow-up (if was a part of Danone-Clover) *– Can you tell me about this in the context of Danone-Clover*

Question 16:

Main: Does the company make a big point of encouraging employees to live the brand?

Follow-up*: If yes – how so? If not – why not?*

Follow-up (if was a part of Danone-Clover) *– Can you tell me about this in the context of Danone-Clover*

Question 17:

Main: How would you describe the level of commitment/loyalty in the company?

Follow-up (if was a part of Danone-Clover) *– Can you tell me about this in the context of Danone-Clover*

Question 18:

Main: What does the company do to keep the culture intact in the name of the company's philosophy and values?

Follow-up (if was a part of Danone-Clover) *– Can you tell me about this in the context of Danone-Clover*

Question 19: **Main**: What does the company do to get staff to understand and believe in the company's brand? ***Follow-up (if was a part of Danone-Clover)*** *– Can you tell me about this in the context of Danone-Clover*		
Question 20: **Main**: Would you say employees are willing to put in effort beyond what's normally expected to make the organisation successful? ***Follow-up (if was a part of Danone-Clover)*** *– Can you tell me about this in the context of Danone-Clover*		
Only ask Employees who were part of the joint venture Danone-Clover		
Question 21: Why did you remain with the organisation after the co-branding separation?		
Question 22: Would you say employee commitment is higher now, than during the Danone-Clover joint venture?		
Ask All Respondents: **Will you please answer the following with a yes or no answer, followed by the reasoning of your response:**		
Question 23: You are proud to be a part of the company **follow up**: why?	**Yes**	**NO**
Question 24: You care about the fate of the company **follow up**: why?	**Yes**	**NO**
Question 25: You and the company share similar values **follow up**: which values?	**Yes**	**NO**
Question 26: You are willing to take responsibility for tasks outside of your own area	**Yes**	**NO**
Question 27: You consider the impact on the brand before acting **follow up**: why?	**Yes**	**NO**

Question 28: You regularly recommend the brand **follow up**: why?	**Yes**	**NO**
Question 29: I voluntarily seek out information about how the organisation I work for is performing **follow up**: why?	**Yes**	**NO**
Ask only employees present during Co-branded Joint venture		
Question 30: Would you please describe to me, the process of knowledge sharing/learning during the co-branded Joint venture?		
Question 31: After the split between Danone and Clover, what was the process of knowledge sharing/learning at Danone Southern Africa?		
Ask only employees who were not present during Co-branded Joint venture		
Question 32: When you joined the organisation, how did you find out the brand, your roles and responsibilities and how to live the brand?		
Question 33: When you joined the organisation, what/who was the greatest source of knowledge for you?		
Ask All Respondents:		
Question 34: **Main**: Are you encouraged to learn and develop at this company? ***Follow-up****: If yes – how so? If not – why not?* ***Follow-up (if was a part of Danone-Clover)*** *– Can you tell me about this in the context of Danone-Clover*		

Question 35:

Main: Do you pass on brand knowledge to new employees?

***Follow-up**: If yes – how so? If not – why not?*

***Follow-up (if was a part of Danone-Clover)** – Can you tell me about this in the context of Danone-Clover*

Question 36: Do Co-workers usually offer assistance to new employees?

Question 37: Main: Does the work environment, teach you how to act in the work place?

***Follow-up**: If yes – how so? If not – why not?*

Please answer following with a yes or no response:

"My organisation…."

Question 38: Has processes for acquiring knowledge about our customers.	**Yes**	**NO**
Question 39: Has processes for generating new knowledge	**Yes**	**NO**
Question 40: Uses feedback from projects to improve subsequent projects	**Yes**	**NO**
Question 41: Has processes for exchanging knowledge throughout the organisation	**Yes**	**NO**
Question 42: Has processes for exchanging knowledge with business partners	**Yes**	**NO**
Question 43: Has process for acquiring knowledge about new products in the industry	**Yes**	**NO**
Question 44: Has processes for acquiring knowledge about its competitors	**Yes**	**NO**

Question 45: Has processes for exchanging knowledge between individuals	**Yes**	**NO**
Question 46: Has processes for transferring organisation knowledge to individuals	**Yes**	**NO**
Question 47: Has processes for absorbing knowledge from individuals	**Yes**	**NO**

End of Yes and No section

Question 48:

Main: What is your understanding of an internal marketing programme targeted at employees

Follow-up*:* Does this company have an internal marketing programme according to your description?

Follow-up (if was a part of Danone-Clover) *– Can you tell me about this in the context of Danone-Clover*

Question 49:

Main: How do you find out about things in the company?

Follow-up (if was a part of Danone-Clover) *– Can you tell me about this in the context of Danone-Clover*

CLOSE INTERVIEW: THANK RESPONDENT

APPENDIX B: DANONE MISSION & VALUES:

Mission: Bringing health through food to as many people as possible (Danone, 2013b)

That is the mission which guides the Danoners on an everyday basis. Their job consists of offering tasty and balanced food products which deliver a health benefit to a large number of consumers, and are adapted to their markets' specific public health concerns.

Danone has adopted a health governance approach that takes public health and nutrition issues into account. Piloted by the group's Nutrition & Health Committee, it is based on three principles, which are already at work in all subsidiaries: a rigorous scientific approach, self-discipline and continuous consultation of all parties involved, at a national, regional and international level.

Our powerful culture is built on four values that bring us together and unite us. Internally, they are the basis of our management policies and, externally, they reflect the attention we give to our products, our customers, the environment and society as a whole.

Our Uniting values:

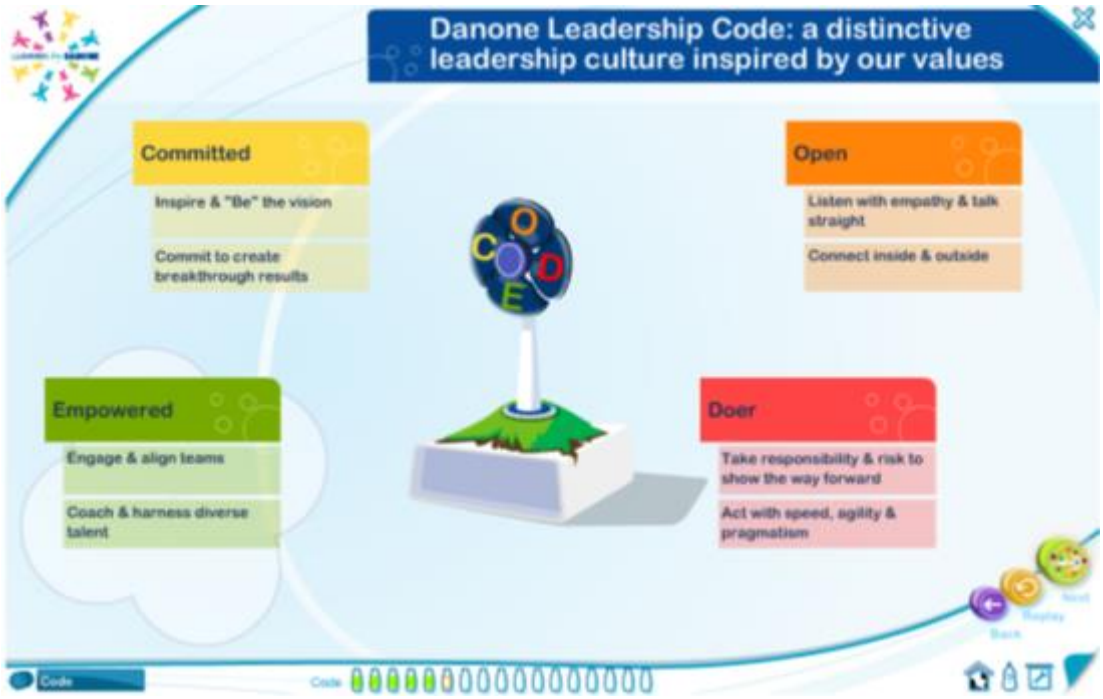
- 

- **Humanism** - achieving more through sharing, teamwork and caring, respecting others and recognising their potential to make a difference
- **Openness** - striving to stay curious, imaginative and aware, to keep looking ahead and to be flexible and adaptable to changes
- **Proximity** - paying attention to and staying close to each person we come into contact with, being accessible and personally involved in everything we do
- **Enthusiasm** - being positive, optimistic, having fun exploring new paths and maintaining an appetite for new challenges (Danone, 2013b)

APPENDIX C: CODE

What is CODE?

- CODE is a unique and distinctive Danone leadership concept, the backbone of leadership in Danone; deeply rooted in the history of the Group, inspired by our values and leveraging the strengths of the 4 divisions to reinforce our competitive advantage.
- CODE is our common shared language that we want to speak at all level of the organisation.



What is Danone Leadership College (DLC)?

The DLC is a 2 day workshop where managers are equipped with the tools to live the CODE behaviours. This DLC workshop should be part of the development plan for every Danoner who has people reporting to them.

(Danone, 2013a)

APPENDIX D: INTRANET



APPENDIX E: INTERNAL MEMO - CONTRACTUAL SPLIT FROM CLOVER

DANONE
SOUTHERN AFRICA

DANONE AND CLOVER ANNOUNCEMENT

Dear Danoners,

For many years we have enjoyed a win-win partnership with Clover. The quality of the services provided to Danone and the professionalism of the Clover teams have contributed to accelerating our journey to become the leading player in Fresh Dairy in South Africa.

Both companies have come to the conclusion that it is in their mutual interest not to renew the existing agreements ending December 2014, under the current terms and conditions.

As you have observed, we have been internalising gradually many of the services previously provided by Clover, such as Themis, OTC and primary distribution. Over the next 18 months, we will continue to put in place solutions to enable our sustainable growth.

During this transition phase, we look forward to working closely with our Clover colleagues to ensure that together we can continue to deliver superior services to our customers and consumers.

We are very excited about this development, which will allow us to make strategic investments providing opportunities for faster growth and development for the Danoners.

I am happy to take any questions you might have and I look forward to working with all of you as we embark on this new stage of our journey.

Kind regards,
Mario

APPENDIX F: DANONE NATIONS CUP (DNC)

Following the 1998 FIFA World Cup in France, Groupe DANONE decided to create an international football tournament for kids. In 2000, the 1st edition of the DANONE NATIONS CUP took place, gathering 8 teams from 2 continents: Bulgaria, France, Italy, Poland, Romania, South Africa, Turkey and Ukraine. Already 35.000 players and 125.000 spectators worldwide.

In 2001, the event considerably grew as 24 teams, representing 24 nations from four different continents. Reunion Islands won the competition in 2001, while Argentina won the 2002 edition. In 2003, the DANONE NATIONS CUP moved up to a higher level when 32 countries participated and Zinedine Zidane became the official ambassador of the competition. Between 2003 and 2006, the event has been respectively won by South Africa, Spain and Reunion Islands.

In the year 2007, the DANONE NATIONS CUP took another step by gathering 40 countries from all over the world. Therefore, new countries joined the adventure such as Saudi Arabia, Chile, Hungary, Uruguay, Namibia and Bangladesh. The World Final took place in front of 35.000 spectators and more than 250 journalists. South Africa won its second DNC.

In 2008, Egypt, Guatemala, India, Mauritius Islands and Qatar took part in the event. 8 years after its first victory, the team representing France made its dream come true by winning the 9th edition in front of their ambassador and World Cup Champion Zinédine Zidane. In 2009, for the first time, the Danone Nations Cup was planned to take place out of France, in Brazil. However, because of the risks linked to the swine flu, it was postponed to 2010. This is why the 2010 edition in South Africa was such a unique and extraordinary edition, with both the 2009 & 2010 delegations playing in parallel both World Finals (DNC, 2013).

APPENDIX G: DANONE PORTFOLIO

Product/Logo	Description
	**NutriDay** NutriDay entered the dairy market in SA by introducing new concepts to the yoghurt industry such as the Danone Corner, yoghurt 6 packs (the first company to do so in South Africa), Danino and introducing the South African public to the NutriDay Brand in 2003!
	**Yogi Sip** Over the last 30 years Yogi Sip has built a successful reputation as the leading drinking yoghurt in the country. Launched way back in the 1980's, Yogi Sip is now an established brand, entrenched in the hearts and minds of many South African consumers!
	**Yo-Jelly** Yo-Jelly is a great snacking option that can be enjoyed anytime, at home or on the go! Yo-Jelly has officially launched nationwide (2013).
	**Inkomazi** Rich in calcium, vitamins A and B, Inkomazi is perfect for cooking, for drinking and for eating with pap, phutu, bread or sugar. It is available in both the original and the smooth variations in the following convenient formats: 2KG bottles, 1KG cartons and 500g cartons.

	**Ultra Mel Delight** A delightful, fresh flavoured dessert, with full cream milk. Packaged in a convenient 4x125ml pack that can be enjoyed by anyone...anywhere!
	**Activia** Naturally regulate your digestive system with this great-tasting, low fat yoghurt.
	**Danino** Danino contains almost twice the amount of Calcium and Vitamin D than other kids' yoghurts on the market and it is a natural source of Vitamins B2 and B12.

APPENDIX H: INDUCTION & ON-BOARDING



The induction day and on-boarding programme provides new employees a structured opportunity to discover Danone, to network and to be exposed to the full value chain.

This on-boarding exercise should take 6-8 weeks to complete and you will review it with your line manager at the end of your third month. The aim of this on-boarding is to orientate you to Danone and assist you in understanding what is required of you in your role. Your group is required to set up some interactions.

The on-boarding is divided into six parts:

1. Induction (where you received the book below)
2. Factory Tour
3. Day in trade
4. Breakfast with your HR Director and an Exco Member
5. Danone Exploration
6. Line Manager meetings

(Induction, 2013)

APPENDIX I: PERFORMANCE DEVELOPMENT REVIEW (PDR)

The PDR Process is the interactive journey that a manager and employee embark on to ensure objectives are met, through achieving constant good performance, by implementing the right skills, and CODE attitude.

This diagram explains each of the interactions and gives tools and tips on when, why and how to conduct these interactions.

PDR TIMINGS



(PDR, 2013)

APPENDIX J: PLAY YOUR PART QUARTERLY INTERNAL MAGAZINE

