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Developing a Corporate Brand in a Transitional Economy; Lessons From Albania

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Abstract

Corporate brand management can significantly impact an organization's strategic success. However, most existing literature on the subject is rooted in a Western perspective, where capitalism is the dominant economic system. To date, many aspects of corporate brand management in transitional economies (TEs)—those shifting from communism to capitalism—remain under-researched. This paper examines how corporate brands are developed and managed within a transitional economy and offers practical insights for organizations operating in such environments.

Keywords: corporate branding; Albania; transitional economies; Central and Eastern Europe; competitive advantage**JEL:** M31, P29, F23

1. Introduction

In recent years interest in corporate branding has increased among scholars and practitioners with corporate brands viewed as a strategic resource, which can help, differentiate an organisation (Balmer and Podnar, 2021; Balmer and Wang, 2016; Balmer, 2022; Iglesias et al, 2023; Krstović, 2015; Roper and Fill, 2012; Roper, 2016).

Currently, however, little is known about how organisations in transitional economies (TEs) can benefit from developing and managing a corporate brand. One option is to review the existing literature however, knowledge from organisations operating in developed markets may not be appropriate in differing contexts (Burgess and Steenkamp, 2006; Cassia and Magno, 2015), especially where there are substantial differences in the economic, social, cultural and political conditions (Foley and Fahy, 2009; Frösén et al, 2016; Grinstein, 2008; Bici, 2018) and where traditionally there has not been a wide choice of branded alternatives within the marketplace. It is unsurprising that Balmer et al (2016) highlight the need to expand the empirical focus on corporate branding beyond the traditional European and North American domains. This paper contributes to this area by exploring the development and management of a corporate brand by a leading fast-moving consumer goods (FMCG) company in the transitional economy of Albania. The results reveal that within the specific case study the organisation corporate brand building and management practices differ from Western norms being heavily influenced by the local culture and market context. In the light of this situation, the paper introduces a new framework for building and managing corporate brands in TEs.

1.1 The Importance of the Brand

Originally, brands were used to denote the ownership of cattle (Wang, 2007) or to identify artisans work (de Chernatony and Dall'Olmio Riley, 1998). In the present era brands, and more specifically corporate brands, remain important for several reasons:

- (1) They can provide consumers with a way to differentiate the choices available (Vanka, 2011; Wang, 2007).
- (2) Brands can aid decision-making acting as a shorthand device associated with various functional and emotional characteristics (de Chernatony and Dall'Olmio Riley, 1998).
- (3) If stakeholders trust a brand this can imbue brand loyalty and the development of a long-term relationship with the brand (Goodchild and Callow, 2001; Smith, 2003).
- (4) Balmer and Wang (2016), Sevel et al (2018) and Balmer (2022) suggest that a brand is a strategic resource, which can contribute to an organisation's competitive advantage and the value of a firm.
- (5) A positive brand can aid the recruitment, motivation and retention of high-quality employees (Balmer and Gray, 2003; de Chernatony, 2012; Xie and Boggs, 2006).
- (6) Among Central Eastern European countries corporate branding is closely connected to the nation brand, with the success of the corporate and national brand influencing each other (Aronczyk, 2008; Đorđević, 2008).



1.2 Relevance of Research on Corporate Brand Building and Management (CBBM) Within the Context of a Transitional Economy

There is a substantial body of research on the development and management of corporate brands, with several models and frameworks being introduced (see **Supplementary Material A** for details). This work primarily considers the subject from a European/US/Commonwealth perspective (Balmer et al, 2016; Fetscherin and Usunier, 2012; McKenzie and Merrilees, 2008) with little attention being paid to the development and management of corporate brands in transitional economies. The existing models and frameworks also have certain limitations (Wang, 2007). They tend to be conceptual in nature (Knox and Bickerton, 2003), offer limited practical guidance for corporate brand-building activities (Järventie-Thesleff et al, 2011) (Balmer's AC³ID Test aside) and have little application in transitional economies. This issue of cultural limitations has been identified in the broader marketing literature (Balmer, 2001; McKenzie and Merrilees, 2008; Steenkamp, 2001, 2005). The need for future research focusing on corporate branding in diverse contexts (Fetscherin and Usunier, 2012) and beyond the traditional European and North American domains has also been raised (Balmer et al, 2016). The following section will consider how transitional economies differ from developed economies, and the complexities in applying existing corporate brand building and management concepts, frameworks and theories within these transitional economies.

2. Transitional Economies and the Transition Process

Transitional economies are previous socialist countries undergoing institutional transition towards greater market competition (Peng, 2012). Since 1989 many ex-socialist countries of Central and Eastern Europe have gone through a transition from a totalitarian structure and planned economic system to a democratic, capitalist regime operating within a market economy (Turk, 2014). Differences, however, remain between transitional and developed economies. For example, transitional economies tend to have less-developed market institutions and regulatory systems, higher levels of economic and political instability, and different cultural perspectives (Cassia and Magno, 2015; Vasyechko, 2012). In addition to this, the marketing environment differs. Some years ago, Batra (1999) highlighted marketing challenges and issues unique to these economies including the management of distribution channels, the development of competitive strategies and brand building. Schuh and Holzmüller (2003) emphasized the challenging marketing environment characterised by a poorly developed marketing infrastructure, price conscious consumers, a lack of brand loyalty and strong competition.

More recently, Cassia and Magno (2015) commented on the difficulties of marketing in emerging markets, highlighting issues to do with market uncertainty and instability, insufficiencies in the sales networks, communications and branding. With the marketing environment of transitional economies, differing from their developed counterparts there is a need to rethink core assumptions of marketing when applied to these economies (Tatoglu et al, 2018). Whilst there are differences between transitional economies and their approach to change there are also strong commonalities. These include the shift to more market based competition (Mutlu et al, 2015); changes to the political systems, legal frameworks, and market structures (Gao et al, 2007); and commonalities in the main components of the transition process, e.g., liberalization; macroeconomic stabilisation; restructuring and privatization; legal and institutional reforms (Šliburytė and Masteikienė, 2011).

Our research sought to investigate the development and management of corporate brands in a transitional economy and along with this, consider the relevance of established corporate branding frameworks and theories developed by scholars drawing on the experiences and activities of Western organisations.

To investigate this subject, the experiences of a large FMCG organisation operating in Albania formed a research case study. Before discussing how these issues were investigated the following section provides a brief overview of the research context of Albania.

The Transitional Economy of Albania

Albania ended 46 years of communist rule and established a multiparty democracy in 1990. The Albanian communist identity was shaped by three main elements: isolation, economic scarcity and an imposed ideology (Lawson and Saltmarshe, 2000). Since 1990 the transition to a democratic political regime and capitalist economy has been challenging, characterised by high unemployment, corruption, organised crime networks, hostile political opponents and a dated infrastructure (CIA fact book, 2018). Despite this, there have been some significant developments in Albania. The country joined North Atlantic Treaty Organization (NATO) in April 2009 and in April 2017 Albania received a European Commission recommendation to open EU accession negotiations. Reforms have been introduced to reduce corruption, encourage growth and job creation. Because of these and other measures, Albania is transitioning, and it is categorised as an upper middle-income country (WORLD BANK, 2019).

3. Research Methodology

Our research sought to investigate the development and management of corporate brands within a transitional economy, specifically Albania. Building on research by the likes of Hatch and Schultz (2001, 2003a, 2003b), Knox and Bickerton (2003), Urde et al (2007), Siso and Bick (2009)

and Balmer and Wang (2016) a case study approach was adopted. A single case organisation (the Agna Group) was the focus of the research. A single case was used for a number of reasons:

- (1) Agna group is a leading FMCG company in Albania. Leidecker and Bruno (1984) indicate that through focusing research on industry leaders (such as Agna) sector wide critical success factors may be revealed.
- (2) The researchers gained privileged access to Agna and so were able to conduct in-depth empirical research. Knox and Bickerton (2003), Siso and Bick (2009) and Urde (2013) have all identified a need for in-depth empirical research in the area of corporate branding.
- (3) The investigation relates to an under-researched environment (a transitional economy), which has received little attention in the corporate branding literature (Balmer et al, 2016; Fetscherin and Usunier, 2012; McKenzie and Merrilees, 2008). Access to such a company, in such a market and involved in brand building and management is an unusual occurrence and therefore provides a useful opportunity for research.

3.1 The Selected Case: AGNA GROUP

Agna Group was founded in 1991, after the fall of communism in Albania, by a 20-year-old student. Initially it was a small business with only few employees and a warehouse (a former cow barn in the village of the founder). Chewing gum, second hand clothes, salt and sugar were the only products the company sold initially. In 1992, Pepsi Cola became part of the company's portfolio. Pepsi was the company's first distributed global brand, and was not previously available in Albania. Later on, other well-known international brands were added to the company's portfolio. Fast forward to 2024 and Agna group has 1280 employees and the company serves around 16,000 business-to-business (B2B) customers. The organisation is the leading distributor in the Albanian FMCG sector, and is the sole Albanian distributor for multinational companies such as PepsiCo, Heineken and Nestlé. Whilst the organisation has made significant progress from its humble beginnings the Chief Executive Officer (CEO) and founder remains ambitious to develop the company and the Agna brand.

3.2 Data Collection

3.2.1 Phase One

The initial phase of the data collection involved a detailed analysis of the existing literature on corporate brand development and management. The aim was to identify recurring elements associated with corporate brand development and management within the models and frameworks developed since 1991 (King, 1991). Twelve models or frameworks and eighty-eight key readings were assessed with the recurring elements identified and coded into relevant categories (a summary table is available in **Supple-**

mentary Material A). Through this process we were able to draw on 27 years of research emanating from predominantly European, US and Commonwealth researchers and develop a conceptual framework identifying the key factors associated with the development and management of a corporate brand (see Fig. 1).

3.2.2 Phase Two

Drawing on the key elements of corporate brand management, phase two of the research sought to investigate the relevance of these factors (and the associated conceptual framework) within a transitional economy. Primary data was collected from Agna Group employees through semi-structured interviews. In addition, considerable documentation from the Agna Group were analyzed and observational research was conducted at Agna Group premises and during company meetings.

3.2.3 Semi-structured Interviews

Purposeful sampling was applied with respondents selected due to their knowledge of and involvement with Agna's branding activities and their ability to contribute to the research question (Biemans and van der Meer-Kooistra, 1994). Twenty-four internal respondents were interviewed, representing different hierarchical levels, departments, and geographic areas of Albania. The objective was to gain a range of insights from a cross section of representatives. To this effect, the sample included the CEO of the company, the board members, the head of each department (human resources, marketing, sales, finance, IT, supply chain, production, logistics), middle managers, and salespeople. The research interview design was initially piloted with two interviewees, leading to more probing questions being added.

In addition, sixteen external respondents (e.g., the biggest retailers in Albania, exclusive distributors of Agna and business partners) were sent a series of questions and asked to provide feedback on Agna's corporate brand building and management. After the external respondents received the questions a follow up phone call was made to check if the respondents had any queries regarding the questions.

The semi-structured interviews and feedback from external respondents continued until a level of data saturation was achieved (Baker, 2018). In relation to the semi-structured interviews 498 pages of transcript were produced and then analyzed.

3.2.4 Documentation

Access to company documents was secured. A total of twenty-seven documents were collected including internal Agna training documents and details on strategy, HR, corporate communications, identity, and organisational culture. These documents highlighted strategic and operational aspects of Agna's corporate brand building and cor-

porate brand management activities and helped triangulate the information collected through the interviews.

3.2.5 Participant Observation

The researcher was able to observe discussions relating to corporate brand development and management through attending a variety of events (e.g., board meetings, training workshops, partner meetings, seminars with community members). Being aware of the potential bias observations can produce, the details of events observed (e.g., behaviours, interactions, decision-making activities, the spirit of discussions, claims made) were noted in a research diary with any observational insights triangulated against other data sources. In total the diary contained details from twenty-four observations.

3.2.6 Data Analysis Process

The data analysis followed a sequential pattern:

- (1) An initial set of codes were produced based on the conceptual framework and the research questions. The list included codes on areas such as: corporate brand; Agna brand; transitional economy; corporate identity; core values; corporate culture; corporate communication; corporate image; corporate reputation; corporate vision; stakeholders; employee commitment; CEO and senior management.
- (2) Details of the relevant documents were noted down along with participant observations. Responses to the questions posed to the external stakeholders were collected.
- (3) Interviews were conducted with internal respondents and then transcribed verbatim within 48 hours.
- (4) The data was assessed and coded using the original coding list. Where necessary, during the data analysis new codes were generated and similar codes consolidated into one.
- (5) Once the data had been coded a series of matrices were used to help order the data allowing the researcher to further assess the research findings (Miles and Huberman, 1994). An initial matrix compared the data source (e.g., interview respondents, documents, observations) to the recurring themes and constructs. A further matrix was produced comparing the recurring themes and constructs and their contributing factors (for example, which factors promoted the creation and management of core brand values in Agna). The matrices proved valuable, enabling the researcher to reveal emerging patterns, themes and constructs. (an illustration of tables and matrices produced is outlined in **Supplementary Material B**).

A series of measures were adopted to ensure the research findings were valid and reliable:

- Prior to the data collection phase, a case study protocol was established outlining the field procedures, case

study questions and a guide for reporting the research findings. At the start of each interview respondents were assured that all interviews were anonymous and that numerical codes would be used to identify each respondent.

- The use of different kinds of data (i.e., interviews, written responses to questions, documentation and participant observation).
- Multiple data sources (e.g., interviews with and questions posed to internal and external respondents operating at different levels, in different departments at different locations).

Initial findings were reviewed by key respondents to gain feedback, validate the issues raised and prompt further investigation and refinement (as required).

3.3 Key Findings

The detailed literature review corresponding to phase one of the research project highlighted six recurring constructs relating to the development and management of corporate brands. These recurring constructs are outlined in Fig. 1.

As previously indicated the research sought to consider the extent to which the elements identified are relevant to the development and management of a corporate brand within a transitional economy. The findings show that whilst these constructs are relevant to Agna there are variations due to certain cultural and market conditions. The most important factors are:

- *The fundamental role of the CEO.*
- *The need for core corporate brand values (specifically integrity).*
- *The development and subsequent management of corporate culture.*
- *Unique stakeholders who need to be accommodated.*

Each of these elements will be discussed in the subsequent section.

3.4 The Fundamental Role of the CEO

Numerous authors (Balmer and Wang, 2016; Balmer, 2022; de Chernatony, 2012; Ind, 1997; King, 1991; Kitchen et al, 2013; Knox and Bickerton, 2003) highlight the role an organisation's CEO plays in developing and managing a corporate brand. Within Agna the CEO plays a pivotal role in brand development and management influencing the company's identity, its core values and corporate culture. Our research found that within Agna the organisational strategy, decision-making activities, company rules and training programmes are heavily influenced by the CEO's vision for the corporate brand. By way of example, the CEO initiated and led the process of establishing the 'Agna Leadership Academy' (ALA) and has personally contributed by producing training and development materials and teaching on academy courses. The CEO has also been involved in developing documents that clarify how

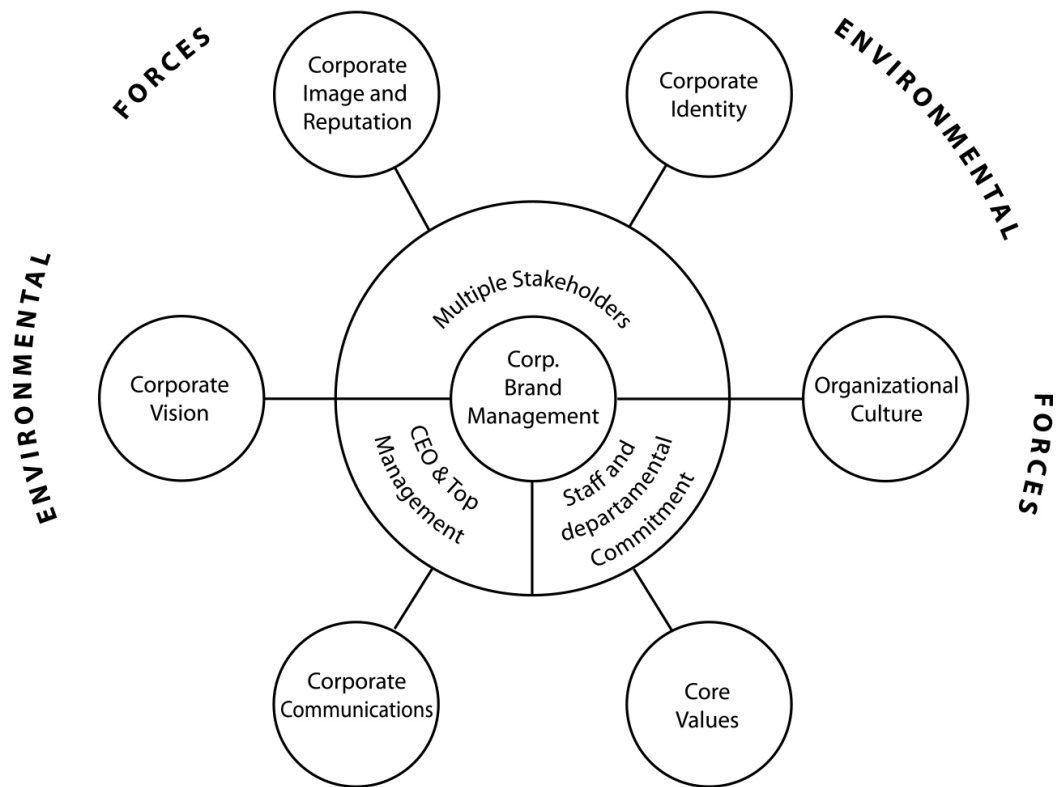


Fig. 1. Conceptual framework of corporate brand building and management, built on theory. CEO, Chief Executive Officer.

Agna employees should operate. This includes a code of ethics, procedure guidelines and documentation regarding Agna's core values and beliefs for success and the 'Agna Way' business model. Issues such as intolerance for corruption, are explicitly specified in these documents, as this is a stated problem in Albania. This differs from Western companies where such aspects are only implicitly addressed. This is a need for Agna in the post-communist country of Albania, in order to build the desired way of working.

The findings indicate that the CEO's involvement and influence stems from three sources:

(1) The CEO's pivotal role in the organisation as President, Chairman of the Board and a strong, visionary leader: *"He is the business founder, the person that manifests and supports these values, and the main decision maker"* (Res. 3).

(2) The CEO's bond with the corporate brand and his vision for it. As the founder of Agna, the corporate vision is the CEO's vision. *"Everything comes from the head, from his [CEO] vision and desire, from the way he wants to develop the business"* (Res. 19).

(3) CEOs are often important for a brand but in this case the culture of the post-communist system is key. The hierarchical nature of Albanian society where leaders are important and hierarchical management practices dominate (Bakacsi et al, 2002; Strang and Vajjhala, 2015; Zogjani et al, 2014) has a strong influence on the corporate brand. Given the previous communist regime in Albania employ-

ees within Agna are accepting of strong leadership: *"He [CEO] is the one that says where we have to go and what we want"* (Res. 13) and sees this approach as beneficial: *"People act better and perform better by obeying to the rules"* (Res. 12). This is in contrast to the dominant Western corporate style where the empowerment of employees is viewed positively. In line with the comments of Balmer (2013) the Agna CEO plays a central role in nurturing, guiding, tracking and adapting the corporate brand and the corporate brand orientation. However, in the case of Agna the CEO's influence on corporate brand building and management is personal, direct and decisive and there is less skepticism towards the idea of the strong leader than may be the case in Western companies. In post-communist cultures like Albania, people accept a hierarchical order and expect to be told what to do (Hofstede insights, 2018). The fact that Albania scores high in the power distance index indicates that Albanian employees are expected to obey and comply with what the leader thinks, does, and says (Javidan et al, 2005). This differs from other countries where leadership authority and power are exercised and accepted at a different scale (Bakacsi et al, 2002). Thus, having a dominant CEO is accepted by the culture, but may not necessarily be entirely beneficial. It might pose potential risk in relation to decision making and organisational culture. Further research could offer perspectives from different countries on the role of CEO in corporate brand building and management and how it may develop over time.

3.5 The Major Importance Assigned to Core Values

The findings indicated that core values are central to brand development and management in Agna as they guide corporate strategy, help manage employees' behaviour, and influence decision-making.

Some of Albania's perceived characteristics (e.g., instability, corruption, levels of organised crime) mean international partners are cautious about doing business in Albania. As such they seek out trust-worthy local organisations, as one external partner stated: *"Agna is a trustworthy partner to do business with. The relationship between the two companies has progressively developed over the years due to the high level of trust, shared ambitions and business principles"* (Ext. Res. 6). As such there are strategic reasons for Agna having integrity as a core value and key element of the corporate brand. The Agna brand is implicitly trying to position itself, through its core values as having a mindset that would be easily recognisable to Western partners.

In order to ensure that employees act in a desired manner the core values are used to guide employees' behaviour. As one Agna employee stated: *"Core values are like a bell ringing in your ear: watch out, we have these values, do not make mistakes"* (Res. 8). The use of values as a mechanism to explicitly manage employees' behaviour may seem unusual but as indicated in the quote below it is in line with Albanian culture: *"Control is needed, because people perform better when there is control on what they do and how they do things. On the other side, people like to be controlled; they get more motivated when someone checks on what they have done. It is part of the Albanian culture"* (Res. 1).

Linked to the previous point, core values are used in Agna to aid decision making. For example, the decision to terminate a domestic partnership was based on the partner's failure to adhere to Agna's values.

The evidence suggests that a set of core values which guide corporate brand development and management are key as whilst there have been considerable advancements in the Albanian economy informality and corruption are still present (European Commission Report, 2020) and as respondent 12 noted: *"In Albania you are told that you are not smart if you do not steal"*. Through adopting an alternative approach, Agna have made their core values and genuine corporate brand values a competitive advantage with international and local partners attracted to Agna by these values. In practical terms, the core values are prominently displayed on the walls at the Agna headquarters. In addition, there are HR policies in place which support, promote and reward the implementation of Agna's core values. For example:

- 50% of the employee performance evaluation criteria are related to the implementation of the core values in daily business practice.

- The core values form a key part of the recruitment process and feature in the interviews with potential employees.
- Employees are formally in breach of their contract if they do not act in accordance with Agna's core values.
- Agna employees are required to sign up to a code of ethics with any breaches to the code potentially leading to the termination of an employee's work contract.

The key role of core values and specifically integrity, was also identified as a topic in all the CEO speeches at the annual company gatherings from 2008–2020. Integrity is praised by the CEO and seen as 'the value of the values'. As illustrated in his 2010 speech, *"it is the value that guarantees all the other values"*.

3.6 Managing the Complex Corporate Culture

Our research indicates that when developing and managing a corporate brand in Albania there is a need to actively manage the corporate culture and this can be more complex than in Western companies. Within Albania close, family-like relationships are very important and this was evident within Agna. Respondents talked of socialising with colleagues and having working lunches. When discussing working for Agna one respondent stated: *"I feel like in a family: the relationships with people, the communication, the way of doing things, of making decisions, the kindness, the simplicity"* (Res. 3).

A 'family spirit' is appreciated among Agna employees, and also in the wider context of Albania where there is still a collectivistic culture. For this reason, the family spirit trait is nurtured in Agna through: the 'Agna Way' business model; CEO speeches; collectivist actions, such as the Agna corporate song which promotes a family spirit and sense of belonging; HR policies (i.e., annual corporate events, parties and celebrations; gifts when employees get married; Christmas presents and parties for employees' children). However, this emphasis on relationships and informality was also associated with some negative traits as employees sometimes failed to follow procedures and engaged in nepotism. With such activities potentially undermining the Agna core values and the corporate brand a series of regulations and procedures were introduced as part of the 'Agna Way'.

A number of respondents commented favourably on this: *"In the past, people had to be part of a group in order to progress, to have pay increments, good evaluations. Now there are procedures and rules in place. By putting some rules in place, people started to disconnect from the old mentality 'I am the friend of x, forgive him this time'"* (Res. 9). Having rules within Agna is seen to help achieve results and is a move towards a more Western corporate culture. *"It is important to put some rules in place; not to put limits, but order, because this affects the way of behaving with clients and as such, our results"* (Res. 7). Thus, rules are set to address informality, as well as to clarify the new way of

doing business in Agna. These rules consist of HR policies (i.e., code of ethics; procedures booklet; performance evaluation process and the Agna Leadership Academy modules). These rules are communicated through the 'Agna Way'; 'Core Values and Beliefs for Success' training programme; CEO speeches and monthly working meetings.

While rules and regulations are in place and guide the way of operating on behalf of Agna, relationship building with customers, is key in ensuring successful business interactions. As respondent 12 who has worked in sales for fifteen years illustrated: *"MNCs such as Heineken consider the standards, the systems and the price policy as priority in the work with the clients, but building relationships is what counts first in Albania"* (Res. 12). With the building of relationships seen to help accomplish business tasks and get results Agna manages its relationships with key stakeholders. For example, key customers are invited to social and educational events and are sent presents on festive celebrations. The difference in culture can clearly be seen here. Many Western organisations have clear rules prohibiting the acceptance of gifts. Thus, relationship building is part of the company culture, in order to accomplish business requirements and achieve results within a collectivist culture. However, these relationship building activities are regulated to assure they are in accordance with the 'Agna Way'. Building on the above, it appears there is significant complexity in managing corporate culture and the delivery of core values.

3.7 Multi-stakeholder Focus

Within certain sectors in the West (e.g., groceries) there has been a shift in power with retailers (and their corporate brands) becoming increasingly dominant over manufacturers (Dawson and Shaw, 1990). In the UK, for example many major brands are subservient to the main supermarket brands. However, given the fragmented nature of the FMCG market in Albania, with a great many points of sales (18,000) in a small population of 2.4 million people, and 28,000 km², the large multi-national manufacturers continue to have significant influence and power. In the case of Agna these organisations have influenced the corporate brand development and management in many ways. For example, Agna established the Agna Leadership Academy to develop employees with the required skills and knowledge to deliver Agna's core values and corporate brand and to be able to specifically engage with the large multi-national organisations. This has not been straight forward. As one respondent noted: *"Having well qualified employees may be the norm in other developed countries, but it is difficult in Albania, and has been a challenge for Agna"* (Res. 4). However, the subsequent professionalism has been received favourably: *"We are blessed to have such a visionary partner. Agna aims high and achieves targets"* (Heineken representative) and is seen as the source of a competitive advantage: *"Being a leader is what makes*

unique our relationships with partners and clients that the other companies cannot do" (Res. 8). Thus, MNCs set expectations for certain ethical and professional standards, which in turn have influenced the way the Agna corporate brand is built and managed.

Another key stakeholder is the government. In Albania government institutions have significant influence as they oversee key policies and regulations. Being perceived favourably and having a good relationship with the government facilitates business interactions, thus, positively influencing the development of the corporate brand. As one respondent noted: *"Being perceived as a company with integrity helps with governmental institutions, e.g., the customs, the tax office serve you fast, do not create obstacles"* (Res. 2). Through introducing a set of strong core values (such as integrity) and engraining these through measures such as the 'Agna Way' the organisation has been viewed favourably by the government. They have been invited to engage with the Ministry of Finance and the tax office, and consulted before decisions are made on new laws affecting the FMCG business.

It is evident that corporate brand building and management in Agna, is significantly influenced by the local culture and market context. The way this influence is exhibited, exerted and managed, is outlined in the below framework, Fig. 2.

(Supplementary Material B illustrates the operationalisation of the elements, through tables produced on the constructs of each element, as well as the internal and external drivers).

4. Discussion and Conclusions

The findings indicated that corporate brand development and management in a transitional economy context involves six key constructs: (1) identity; (2) core values; (3) culture; (4) corporate communication; (5) vision; (6) image and reputation. This would be familiar to a Western audience but there are key differences within the transitional economy.

Our findings indicate that in the case of Agna the development and management of a corporate brand is influenced by contextual factors and varies from the practices outlined in the literature which emanates from Western Europe and North America organisations. To this effect, a series of observations can be made related to the fundamental role of the CEO; core values at the heart of the way of doing business; corporate culture complexity, employees as brand ambassadors; and specific stakeholders.

In a transitional economy, it may be considered that the CEO's role is pivotal due to the hierarchical nature of the society where strong leader figures are important, highly respected and their demands generally complied with. This is different from Western countries where authority and regulations are exerted at different levels and power relationships act differently (Hofstede insights, 2018).

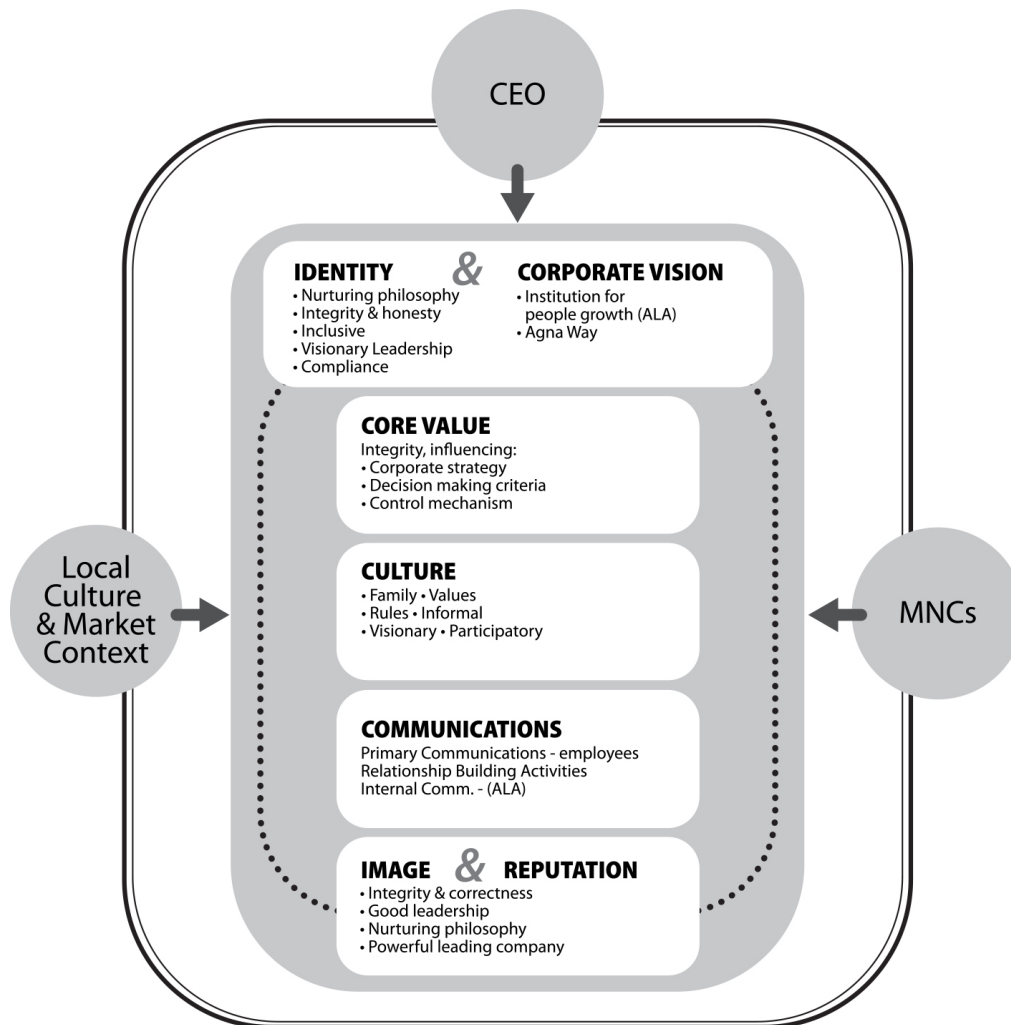


Fig. 2. Framework of corporate brand building and management in a transitional economy (TE). MNCs, multi-national corporations.

The CEO's influence is exerted on both strategic and operational issues. The element of the CEO leading on strategy differs from most Western organisations, where strategy is not the choice of a sole individual, but rather the outcome of organisational processes and procedures (Peng, 2012). Thus, in the case of Agna, the CEO is the ultimate person in charge of corporate brand building and management.

Insights from the case study suggest there is a need for a strategic role to be assigned to core values when developing and managing a corporate brand within a transitional economy with these core values guiding the philosophy of the organisation whilst being adopted across multiple levels and activities (both strategic and tactical). Strong, desirable core values (e.g., integrity) may not however, be the norm, with a 2015 report from the Organisation for Security and Co-Operation in Europe (OSCE, 2016) found only 11% of Albanian companies had a code of ethics in place. In order to install and manage the desired core values it is suggested that the values are embedded into the recruitment processes,

in any orientation programme for new employees and in the subsequent performance evaluation and reward processes. This level of integration will require the setting up of organisational systems, processes and policies to support, reinforce and ensure adherence to the corporate brand values. This cannot be taken for granted. The case study indicates a clear and overt strategy to demonstrate the brand's integrity almost in opposition to what may be a stereotypical external view of Albanian business.

Whilst various academics (e.g., Balmer, 2001; 2012; Siso and Bick, 2009) outline the relationship between culture and the corporate brand, within a transitional economy the need to manage this link is heightened given the local culture and market context where contrasting traits are evident and need to be managed. Thus, as part of the corporate brand building and management, the corporate culture should cultivate positive traits (e.g., family spirit) and address negative traits (e.g., informality). This is challenging and appears contradictory; however, it is a key aspect that should be managed with organisations championing

new more regulated business practices whilst simultaneously seeking buy in and empowering employees.

Special attention to corporate culture is closely related to the vital role of employees in communicating and delivering the brand values in a transitional economy. Whilst the likes of [Balmer and Gray \(2003\)](#), [de Chernatony \(2012\)](#), [Krstović \(2015\)](#), [Roper \(2016\)](#), [Balmer and Podnar \(2021\)](#), [Boukis et al \(2021\)](#) and [Garavan et al \(2022\)](#) all highlight the role of employees in corporate brand building and management, this situation is magnified in the case of a transitional economy with a fragmented market and a collectivist culture. In contrast to Western markets, where few retailers dominate the FMCG market, in a transitional economy with a fragmented market, salespeople have to contact and serve several thousand clients. Personal visits and personal selling are expected from customers and are the norm still in Albania. This means continued emphasis on individual relationships with salespeople engaging with business owners and building relationships. The ongoing importance of personal relationships is further underlined through the popularity of business lunches and employee attendance at work colleagues and customers' family events and celebrations. There seems to be a contradiction between the need to regulate business activities, whilst at the same time promote and foster personal relationships. This situation requires employees to act in accordance with the core values and 'Agna Way' whilst at the same time conducting business in ways suitable for clients operating in the local culture which values relationships and informality. Thus, Agna strives to regulate business operations and develop the corporate brand by combining its business ambitions and desired way of doing business, with local culture characteristics, in a market that is developing and changing through a long transition to a market economy.

[Roper and Davies \(2007\)](#), [Biraghi and Gambetti \(2015\)](#), [Balmer and Wang \(2016\)](#) and [Bulatović et al \(2016\)](#) suggest that a corporate brand must accommodate the needs of multiple stakeholders. Our research suggests that within Albania the multi-national corporations (MNCs) are particularly prominent stakeholders. If companies such as Agna do not align with their approach to business, the sought after MNC contracts can be terminated. As such, the MNCs are able to influence corporate brand development and management in developing markets.

Governmental institutions are also a key stakeholder group. They need to be managed as they can facilitate the business once they perceive an organisation favourably but are also prone to fluctuations in terms of policy and regulations. The effect of these fluctuations enacted by governments locally is a key characteristic of developing economies ([Hoskisson et al, 2000](#); [Peng, 2012](#)) and in the case of this research. On the other hand, random, and unpredictable changes in governmental laws and regulations, create uncertainty which negatively influences business performance. *"They (governmental institutions) draw some*

regulations, you proceed accordingly and make the investment, but in a few months, or in a year, they change the previous laws and rules, even without prior notice. You just feel lost, because you have already done the investment, as was that case [a local beer production]" (Res. 15). *"The government has preference for some of the businesses, recipients of public funds and concessions"* (Res. 10). Several concessions have already proven to be big corruption cases ([Special Structure against Corruption and Organized Crime, 2024](#)). However, Agna has made the decision to work with integrity and build a positive reputation. Therefore, while working with values and maintaining a good reputation with governmental institutions, there is also a need to be agile and flexible in business operations in a transitional economy, in order to deal with potential threats posed due to weak rule of law, unstable governing institutions, corruption and informality.

Building on the above, one can see that (a) the authoritative style of the communist past (b) the collectivist culture of the country (c) the hierarchical nature of the society and (d) the transitional market context, characterised by informality and corruption, have the ability to influence the corporate brand building and management in a transitional economy. Thus, a former communist country context poses challenges and complexities which influence corporate brand building and management, requiring complex and at times seemingly contradictory activities. There is a need to be aware of the influence of the local culture in order to build a positive corporate brand.

Thus, this research study shows that in relation to corporate brand building and management the concepts and ideas drawn from North American and Western European literature and empirical research, have limitations when applied to the case study organisation operating in a transitional economy.

4.1 Contributions to Knowledge and Practice

Our research contributes to the understanding of CBBM in a transitional economy, a previously under-researched context; with differing cultural perspectives from the contexts explored to date (i.e., North America and Western Europe). It further advances the work on CBBM by presenting a framework that outlines how corporate brands may be developed and managed, based on the research findings and relevant literature. It contributes to practice by identifying key factors that are relevant to the development and management of corporate brands within transitional economies, as well as exploring the constructs, drivers and processes involved in building and managing the corporate brand in such circumstances.

Overall, this research contributes to helping transitional economies (and CEE countries with similar characteristics and level of development) to benefit from building and managing their corporate brands.

4.2 Limitations

Despite a number of important contributions to knowledge and practice, this research has limitations. The work looked at corporate brand building and management in a transitional economy (Albania). As such, it is a single country study, although other transitional economies will benefit from its findings. No similar studies have been conducted before in Albania or other transitional economies. Thus, it is not possible to compare the findings of this research with earlier/other studies, mainly with respect to the major influence of the local culture on corporate brand building and management.

4.3 Further Research

Further research has the potential to increase our knowledge in this area. More specifically, conducting a longitudinal study in the Agna Group would provide valuable insights on how the corporate brand is built and managed along different stages of the process over time. Further research with other companies in FMCG and/or other industries would also help explore the wider application of the framework and the required adjustments and/or changes within the context of transitional/emerging economies. Finally, research in other transitional economies and emerging markets in the Balkan Region, Eastern Europe and beyond, has the potential to enrich the understanding on how a country's culture influences corporate brand building and management, as well as the practices and processes required to address its influence as part of the corporate brand building and management. In addition, research among companies in cultures that score similarly on the Hofstede scale, will help compare and contrast the corporate brand building and management processes.

Availability of Data and Materials

Data and materials are available upon request to the corresponding author.

Author Contributions

The theoretical framework, the methodological design, data collection and analysis of this study were conducted in the context of author AB's doctoral thesis. Authors JM, SR provided help, guidance and critical remarks throughout the doctoral study and this paper. All authors contributed to editorial changes in the manuscript and approved the final manuscript. All authors read and approved the final manuscript. All authors have participated sufficiently in this paper and agree to be accountable for all aspects of the work.

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Conflict of Interest

The authors declare no conflict of interest.

Supplementary Material

Supplementary material associated with this article can be found, in the online version, at <https://doi.org/10.31083/JEEMS45949>.

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