Architectural branding as brand communication:
Does it contribute to employees’ brand commitment?

By Ursula Raffelt, Martina Littich and Anton Meyer

Corporate buildings are omnipresent in employees’ lives. As permanent and multi-sensory brand touch points, they may influence employees’ brand commitment in the same way that any other brand communication does. This research analyses the effectiveness of architectural branding – defined by the expression of the brand core, the brand values, and the corporate design in architecture – as an instrument of internal brand management. Following semiotic theory, we argue that experiential corporate buildings have a greater impact on employees’ brand commitment than functionalist corporate buildings. Based on employee surveys at three major automotive companies, this research provides evidence that the perception of brand identity in corporate architecture and its positive evaluation in terms of aesthetics strengthens brand commitment. This holds especially true for experiential architecture.

1. The relevance of architectural branding for internal brand management

Corporate buildings are ubiquitous in our daily lives. We often encounter these buildings by visiting them, and we regularly see them throughout the media. They are the physical manifestations of the organisations within them. Because they are part of corporate identity (Melewar 2003), buildings provide employees with meaningful associations. Employees may use these buildings, much as they use other elements of brand communication, to form their attitudes about the corresponding corporate brands. Corporate buildings may thus influence employees’ brand commitment and serve as an instrument of internal brand management.

Over the last few years, marketing research has increasingly discussed employees as an important group of stakeholders for brand management. Employees shape and develop the brand identity and are consequently constituent of a company’s self-image (Ind 2003). There is broad consensus that all employees – not only those with direct customer contact but also those without direct customer contact – are relevant brand ambassadors (Gumesson 1991). Therefore, the key objective of internal brand management is to promote positive brand-related behaviours (Wieseke et al. 2009) with organisational commitment (MacKenzie/Podsakoff/Ahearne 1998) and brand commitment (Zeplin 2006) [1] being the necessary prerequisites.

Commitment emerges when employees understand the brand identity and the company’s objectives and feel internally committed to their fulfilment (Mathieu/Zajac 1990; Organ/Ryan 1995). The effects of brand commit-
ment have been well-documented in previous marketing research. There is, however, still a lack of insight into its management (Wieseke et al. 2009). Gilly/Wolfharter (1998) and Henkel/Wentzel/Tomeczak (2009) showed that classic external brand communication concepts – including experiential branding (Brakus/Schmitt/Zarantonello 2009) as well as the design of brandscapes (Klingmann 2007) and servicescapes (Turyel/Milliman 2000).

The relevance and impact of architectural design on experien-
tial (Andreu et al. 2006; Fiore/Kim 2007), affective (Grippel-Klein 2005), cognitive (Meyers-Levy/Zhu 2007), and behavioural (Grippels-Klein/Bartmann 2009) outcomes has been addressed previously. Taken together, architecture is considered a relevant contact point for consumers and employees. There is, however, no specific evidence if architecture positively influences brand attitudes through, for example, the expression of the brand core, the brand values, or the corporate design.

Therefore, the aim of this research is to answer the following questions: Do employees derive meaning from corporate buildings? Does the perception of the brand core, its values, and its corporate design contribute to employees’ brand commitment? And, finally, do all corporate buildings contribute to the formation of employees’ brand commitment to the same extent?

We first provide an overview of the phenomenon of architectural branding and explain why and under which conditions we expect it to be an effective instrument of internal brand management. Then, following semiotic theory, we argue that experiential corporate buildings, such as brand museums and brand experience worlds, have greater impact on employees’ brand commitment than functionalist corporate buildings, such as most retail buildings and company headquarters. To test our predictions, we analyse data derived from employee surveys at three major automotive companies.

2. Architectural branding: theory and predictions

2.1. The concept of architectural branding

In the last few years, the number of buildings designed according to companies’ philosophies, values, and brand identities has steadily increased (Bahamón/Cabizares/Corcuera 2009; Leonardi 2009). Corporate buildings are used as a form of communication and a device for impression formation (Klingmann 2007). Companies’ investments in architectural branding carry the implicit hope that architectural design – similar to other commercial elements – positively influences brand impressions. In the same way that a product’s package contains information about brand-relevant aspects of the product (Orth/Malkewitz 2008), architecture is expected to provide inferential cues about the identity of an organization (Bitner 1992). By their form, materials, and colour design, corporate buildings provide indicators of a company’s performance, brand, positioning, culture, and philosophy (Mesdatt 2005). Aside from the verbalisation of brand identity, its visualisation is considered to be particularly effective (Aaker/Joachimsthaler 2000, p. 82). Because mental images, which are also generated through architectural designs, are dually coded in the mind (Paivio 1991), visual brand representations create particularly memorable brand knowledge (Children/Heckler/Houston 1986; Minard et al. 1991). Architecture provides more than just visual cues. In fact, it translates the brand into three dimensions and generates a physically intensive, multi-sensory, and permanent brand representation. It is the physical framework for communicating brand identity and generating enduring brand experiences.

Architecture may express brand identity by referring to its different components – the brand core, the brand values, the corporate design, and/or a combination of them (e.g., Aaker/Joachimsthaler 2000). On an abstract level, a corporate building may represent the brand core by making geographical or historical references. For example, the BMW Tower, built in 1972 at BMW’s foundation site in Munich, is today part of the BMW brand heritage. On a concrete level, architecture may express specific brand values by means of its design language. For example, the BMW Welt, using a visual analogy of a tornado followed by a cover of clouds, aims to be a symbolic manifestation of the BMW values of dynamism and challenge (Feireiss/Kwinter 2007). Finally, architecture may simply be formally aligned with the corporate design. For example, the Audi retail architecture follows standardised formal design guidelines, which precisely define colours, shapes, and materials based on established Audi corporate design.

2.2. Architectural branding’s effectiveness in internal brand management

To date, the internal branding literature has discussed leadership (Morhart/Herzog/Tomeczak 2009; Vallaster/Cherntamony 2006; Wieseke et al. 2009), human resources management (Backhaus/Tikoo 2004), and the communication of brand identity (i.e., what the brand stands for) (Aaker/Joachimsthaler 2000) as central instruments for strengthening employees’ brand commitment.

Architecture provides a permanent representation of employees’ environment. Corporate buildings are omnipresent in employees’ daily lives. Architectural branding thus facilitates the emergence of episodic brand knowledge, which is associated with stronger memory traces than semantic brand knowledge (Tulving/Thomson 1973) and has a stronger effect on brand-related attitude formation (Lee 2002).

Not only the employees working in the respective buildings may experience corporate architecture. Corporate
architectures are often unique (in particular, experiential buildings, such as the BMW Welt). They define urban space, are frequently designed in collaboration with renowned architects, and require major capital investments. Architectural branding projects, consequently, often gain strong media coverage. All employees may thus experience corporate architecture indirectly through the media. We know from research on internal brand management that not only internally directed communication affects employees. Instead, spill-over effects occur through the use of similar media (Melewar 2003). Externally directed advertising and PR activities reach employees as a “second audience” (Berry 1984, p. 275) and strengthen their brand commitment (Gilly/Wolfinbarger 1998). As architectural branding is highly visible to the public, we expect the same positive effects. Moreover, being a form of auto-communication, externally (though, in its true sense, internally) directed communication serves as a manifestation of one’s self-image and thus reinforces employees’ identification with the brand (Christensen 1997; Broms/Gahmberg 1983). Therefore, we hypothesize:

H1: Brand identity perception in the corporate architecture strengthens employees’ brand commitment.

2.3. The relative use of the denotative and the connotative

Experiential architectures, such as brand experience worlds and brand museums, are often cited as prime examples of architectural branding. However, functionalist architectures, such as retail buildings, production facilities, and headquarters, which have had minimal to no representative purpose until recently, are more and more often designed with an eye on brand communication.

Semiotics, the “science of signs within society” (Saussure 1959, p. 16), provides a framework for examining the key differences between these architectural branding types. Semiotics views a sign as anything that may be interpreted to “stand for” something and examines how signs are produced and interpreted (Mick 1986).

Applying semiotics specifically to architecture in a seminal essay, Eco (1997) distinguishes between what he calls the “denotation” of a building (its primary, utilitarian function) and the “connotation” of a building (its symbolic meaning). Just as a cave denotes a shelter function but connotes family, group, or security, an entire building may denote that it is a company’s headquarters, a retail space, or a production facility and, at the same time, connotes corporate brand values. Functionalist architecture and experiential architecture seem to differ, however, in their relative use of the denotative (architecture as functional object) and the connotative (architecture as symbolic object). Functionalist architecture seems to focus primarily on the denotative while experiential architecture emphasises the connotative. Accordingly, functionalist and experiential corporate architectures follow different concepts to express brand identity.

Functionalist corporate architecture is characterized by the principle that a building should be designed based on its purpose or function. Thus, the architectural design of production facilities should optimise the needs and requirements of factories and their production processes, office buildings should be designed according to the needs of office work, and department stores should be designed to provide optimal operations in the stores. Thus, references to the brand identity are mostly established by corporate design-like, formal alignment (focused on standardised colours and materials) because the implementation of such guidelines hardly affects the building’s function. Due to this focus on formal design guidelines, functionalist architecture strengthens the visual brand representations stored in memory. It offers, however, less opportunity for employees to form impressions about the brand identity; thus, such architecture should be less powerful in developing brand commitment.

In contrast, much of experiential architecture is complex, ornamental, and playful in the façade and the entire building. The building is used in a symbolic sense to express and communicate corporate brand values such as stability and strength or transparency and openness. This allows the employees to experience, through the design, the organisation and its values and to identify to a larger extent with the brand’s identity. Moreover, experiential architecture often attracts high awareness through unconventional designs that deviate from strict formal design standards. This leads to more media coverage, which, in turn, enhances architecture’s effect on brand commitment.

One could argue that functionalist architecture closely corresponds to the “brand as a logo” concept, whereas experiential architecture corresponds to the broader concept of brand identity (Chernatony/Dall’Olmo Riley 1998). Accordingly, we expect that the expressive quality of architecture and its impact on brand commitment is stronger for experiential than for functionalist corporate architectures.

H2: The effect of brand identity perception on brand commitment is stronger for connotatively focused, experiential architectures than for denotatively focused, functionalist architectures.

2.4. The impact of aesthetics

Aside from its symbolic quality (the building’s expression of brand identity, or its connotative dimension) and its instrumental quality (the building’s function, or its denotative dimension), architecture is evaluated in terms of its aesthetic quality (Vilnai-Yavetz/Rafaeli/Yaacov 2005). Architecture largely conveys peripheral, non-phanominal information. It not only evokes associations related to the organisational brand but also stimulates an aesthetic evaluation, which in turn influences attitudes and behaviour (Davis 1984; Nasar 1994). The dichotomy between the symbolic and the aesthetic, or the associative and the evaluative, is consistent with theorising in marketing re-
search, which differentiates between cognitive and affective evaluations, for example, with regard to the evaluation of advertisements (MacKenzie/Lutz 1989). Consequently, we assume that positive aesthetic evaluations further strengthen employees’ brand commitment. This results in the following hypothesis:

**H3:** A positive aesthetic evaluation of the corporate architecture strengthens employees’ brand commitment.

### 2.5. The relevance of brand knowledge

Design is generally characterized by polysemous meaning, that is, “artefacts mean what their contexts permit” (Krippendorff 2006, p. 59). If architecture is understood as communication, a context needs to be established to limit the diversity of meaning to a particular associative space. In terms of semiotics, a common understanding of the sign is a necessary condition for the effectiveness of architectural branding. Beyond the knowledge of architectural norms and conventions (Gifford et al. 2000), this context is generated by brand knowledge. Brand knowledge directs the comparably large diversity of architectural branding’s connotations towards brand identity and eases its integration into existing brand schemes. Consequently, we hypothesize:

**H4:** Brand knowledge influences brand identity perception.

### 3. Empirical design

Three German automotive companies (Audi AG, BMW Group, and Daimler AG) supported this empirical study. The automotive industry is one of the pioneers in architectural branding and, therefore, particularly suited for this research project.

We first conducted qualitative interviews with experts from all three companies (head of BMW Welt; head of brand communication and corporate identity, Audi AG; head of marketing and communications, Mercedes-Benz Museum GmbH) and two of the responsible architects to identify adequate architectural branding examples and the extent to which brand core, brand values, and corporate design are represented in them. We then conducted employee surveys at all three companies to test our predictions. The first survey took place at the BMW Group in August 2008. The validation studies at Audi AG and Mercedes-Benz Museum GmbH were conducted in October and November 2009. In total, 698 building evaluations were the basis of all analyses. All surveys were conducted in the form of an online questionnaire.

### 3.1. Selection of building examples

The BMW Group has been setting standards in architectural branding since the 1970s and continues to invest in brand-related architecture; the BMW Tower and the BMW Museum were built in Munich in 1972. As of 2007, the BMW Welt has completed the building ensemble. With the opening of the Audi Forum in Ingolstadt in 2000, the Audi AG was one of the first car manufacturers to stage the experience of picking up a new car in a building designed specifically to represent the Audi brand. In 2005, the Audi AG introduced a new retail concept, the Audi Terminal, translating the Audi corporate design into architectural language. In 2006, the Daimler AG opened the Mercedes-Benz Museum in Stuttgart, illustrating a blend of automobile history and the brand.

This research presents differentiated predictions for (a) denotatively focused functionalist architectures, which frequently use corporate design references to express brand identity, and (b) connotatively focused experiential architectures, which symbolically express brand values through the entire building design. To test our predictions, we selected two building examples from different companies for each of these two types. All four buildings are adequate examples of architectural branding; they are intended to represent the brand identity, but do so by distinct means (i.e., focusing on the brand core, the brand values, and/or the corporate design).

The Audi retail building and the BMW Tower are denotatively focused. The Audi Terminal is standard retail architecture and strongly focuses on formal-visual alignment. Colour, shape, and material codes were adapted from the general Audi corporate design. The BMW Tower was designed like a four-cylinder engine; its quarter-like shape of the building, challenging by the deconstructivist, cutting-edge architectural style, and cultured by the idea of cultural space. The design clearly deviates from the BMW corporate design as implemented, for example, in the retail architecture. The Mercedes-Benz Museum exhibits some similarity to corporate design elements. Its shape is based on a trefoil and is similar to the logo, which is also partitioned into three parts. The columns dividing the glass façade are arranged at oblique angles, which reinforce associations with the logo. Still, the Mercedes-Benz Museum’s symbolic quality transcends that of the BMW Tower in that it concisely expresses the Mercedes-Benz brand values. The technical precision of the façade design conveys the brand values of quality, exclusivity, and elegance. The uniqueness
Table 1: Description of corporate buildings analysed in this study

<table>
<thead>
<tr>
<th>Building</th>
<th>Name</th>
<th>Year</th>
<th>Architect(s)</th>
<th>Brand core (abstract reference)</th>
<th>Brand values (concrete reference)</th>
<th>Corporate design (formal reference)</th>
<th>Building function</th>
<th>Type of architecture</th>
<th>Sign language</th>
<th>Supposed effect on BC</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Audi Terminal</td>
<td>2005</td>
<td>Allmann Sattler Wappner</td>
<td>brand core</td>
<td>translated indirectly by means of single corporate design elements</td>
<td>colour, shape, and material codes</td>
<td>retail site</td>
<td>functionalist</td>
<td>denotative</td>
<td>low</td>
</tr>
<tr>
<td></td>
<td>BMW Tower</td>
<td>1972</td>
<td>Karl Schwanzer</td>
<td>brand heritage automotive</td>
<td>no particular values translated into architecture</td>
<td>reference to logo, colour codes</td>
<td>headquarters</td>
<td>experiential</td>
<td>connotative</td>
<td>high</td>
</tr>
<tr>
<td></td>
<td>BMW Welt</td>
<td>2007</td>
<td>Wolf Prix, Coop Himmelsb(l)au</td>
<td>brand core joy</td>
<td>dynamic, challenging, cultured</td>
<td>comparably free</td>
<td>experience world</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Mercedes-Benz Museum</td>
<td>2006</td>
<td>UN Studio, HG Merz</td>
<td>brand heritage automobile history</td>
<td>quality, exclusivity, elegance, innovativeness</td>
<td>reference to logo, no alignment with corporate design</td>
<td>brand museum</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

of the architectural design and the impressive construction reflect innovativeness. Conceptualised as a museum, the building connects 125 years of automobile history with the Mercedes-Benz brand, strengthening the values of authenticity and fascination.

Tab. 1 provides an overview of all buildings and shows how they relate to prior hypothesizing.

3.2. Measures

We measured brand identity perception by using three items ("the architecture represents the brand core/the brand values/the corporate design"), on a seven-point rating scale, with seven being the highest value. We relied on established measures for aesthetic appeal and brand commitment. Aesthetic appeal was operationalized with a single item, according to Page/Herr (2002). Brand commitment was measured with seven items, following Zeplin (2006). To further elaborate our model, we included two main outcome variables of brand commitment: employee retention and brand citizenship behaviour (MacKenzie/Podsakoff/Ahearne 1998; Morhart/Herzog/Tomczak 2009). They were operationalized as single items, according to Maier/Woschée (2002) and Zeplin (2006), respectively.

4. Analysis and results

4.1. Brand identity perception in corporate buildings

Means for brand core, brand value, and corporate design (CD) perception are generally high for both types of architectures (see Tab. 2). The brand core is equally reflected in functionalist and experiential architecture. However, experiential buildings more intensely represent the brand values than functionalist buildings (p < .01). Conversely, the perception of corporate design elements is significantly higher for functionalist architecture (p < .01). These results validate our theoretical assumption about the general existence of two core types of corporate architectures and their differing representations of brand identity. Denotatively focused functionalist architecture relies more on the translation of corporate design elements, while connotatively focused experiential architecture can be characterized by symbolic translation of brand values without strict adherence to formal corporate design guidelines. Means of aesthetic appeal are high for both architectural branding types. However, experiential architecture is more aesthetically appealing than functionalist architecture (p < .01).

4.2. Effects of architectural branding on brand commitment

To test our predictions simultaneously, we applied a partial least squares (PLS) estimation approach using
SmartPLS 2.0 (Ringle/Wende/Will 2005). PLS is a component-based structural modelling technique (Wold 1985) that offers specific advantages over covariance-based approaches. Because single-item measures, such as those used for aesthetic appeal, brand knowledge, retention, and brand citizenship behaviour, cannot be easily applied in covariance-based structural equation models (Bergkvist/Rossiter 2007; Hair et al. 2011), PLS seems particularly appropriate. Moreover, PLS is more adequate for new constructs (Fornell/Bookstein 1982, Wold 1985), such as “brand identity perception in architecture”. To assess the significance of parameter estimates, we used a bootstrap approach with 500 resamples, with each sample consisting of the same number of cases as the original sample (Chin 1998).

In PLS, the goodness-of-fit of the measurement model is assessed via various criteria. The average variance extracted (AVE) is supposed to be greater than .05 (Fornell/Larcker 1981), the composite reliability (CR) greater than .07 (Nunnally 1978), and the Stone-Geisser test criterion Q² (communality) above .00 (Chin 1998). The reliability of individual items is assessed by examining the loadings of these items on their respective latent construct. Thus, items with loadings of less than .05 should be eliminated from the model (Hulland 1999). Tab. 3 shows that all these thresholds are met within our measurement model, confirming a highly acceptable reliability of our latent constructs.

Tab. 4 shows the correlations between the model variables. The correlation between the two antecedents, “aesthetic appeal” and “brand identity perception”, is only moderate, and the corresponding variance inflation factors are smaller than 5, which indicates that there is no significant parameter distortion due to multicollinearity problems.

### Table 2: Descriptives: brand identity perception and aesthetic appeal

<table>
<thead>
<tr>
<th>Constructs</th>
<th>M</th>
<th>SD</th>
<th>M</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brand core perception</td>
<td>5.29</td>
<td>1.526</td>
<td>5.20</td>
<td>1.526</td>
</tr>
<tr>
<td>Brand value perception</td>
<td>5.19a</td>
<td>1.578</td>
<td>5.54a</td>
<td>1.336</td>
</tr>
<tr>
<td>CD perception</td>
<td>5.41b</td>
<td>1.419</td>
<td>5.03b</td>
<td>1.618</td>
</tr>
<tr>
<td>Aesthetic appeal</td>
<td>5.03a</td>
<td>1.766</td>
<td>6.06b</td>
<td>1.403</td>
</tr>
</tbody>
</table>

Note. a,b: Numbers with different superscripts in a given row are significantly different at p < .01; nFUNCTIONALIST = 368, nEXPERIENTIAL = 330.

### Table 3: Assessment of the measurement model

<table>
<thead>
<tr>
<th>Construct</th>
<th>AVE</th>
<th>CR</th>
<th>Q² (co.)</th>
<th>Items</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brand identity perception</td>
<td>.770</td>
<td>.909</td>
<td>.509</td>
<td>Brand core perception, Brand value perception, CD perception, Aesthetic appeal</td>
</tr>
<tr>
<td>Brand commitment</td>
<td>.681</td>
<td>.937</td>
<td>.570</td>
<td>Feel as part of a family, Feel with company’s successes/failures, Proud to be working for company, Personal fit with company, Personal fit with company values, Influenced by company values, Feel connected to company</td>
</tr>
</tbody>
</table>

Note. AVE – average variance extracted; CR – composite reliability; Q² (co.) – Stone-Geisser test criterion Q² (communality); * p < .10; ** p < .05; *** p < .01; n = 698.

### Table 4: Intercorrelations between model variables

<table>
<thead>
<tr>
<th>Constructs</th>
<th>M</th>
<th>SD</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Aesthetic appeal</td>
<td>5.52</td>
<td>1.73</td>
<td>1.000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Brand citizenship behaviour</td>
<td>5.15</td>
<td>1.46</td>
<td>.905**</td>
<td>1.000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Brand knowledge</td>
<td>5.86</td>
<td>1.26</td>
<td>.271***</td>
<td>.386***</td>
<td>1.000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Brand commitment</td>
<td>5.54</td>
<td>1.27</td>
<td>.166***</td>
<td>.296***</td>
<td>.577***</td>
<td>1.000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Brand identity perception</td>
<td>5.28</td>
<td>1.40</td>
<td>.654***</td>
<td>.148***</td>
<td>.297***</td>
<td>.249***</td>
<td>1.000</td>
<td></td>
</tr>
<tr>
<td>6. Retention</td>
<td>5.87</td>
<td>1.52</td>
<td>.034</td>
<td>.376***</td>
<td>.649***</td>
<td>.462***</td>
<td>.124***</td>
<td>1.000</td>
</tr>
</tbody>
</table>

Note. * p < .10; ** p < .05; *** p < .01; n = 698.
PLS does not provide statistics to assess the overall fit of the structural model. However, the Stone-Geisser test criterion (redundancy), which is used as a measure for predictive relevance (Fornell/Bookstein 1982), is greater than .00 for all constructs, which indicates a good fit. The variance explained ($R^2 = .10$) is a measure of the nomological validity (Hulland 1999). Fig. 1 shows the overall model of brand identity perception’s impact on brand commitment. The model shows positive significant effects of both brand identity perception ($\beta = .21; p < .01$) and aesthetic appeal ($\beta = .13; p < .05$). Therefore, hypothesis $H1$, concerning the strengthening impact of brand identity perception in the corporate architecture and hypothesis $H3$, concerning the impact of the building’s aesthetic appeal, are confirmed by our data. Moreover, as suggested by hypothesis $H4$, brand knowledge plays a facilitating role in decoding the brand identity in the building’s architecture. It influences brand identity perception significantly ($\beta = .25; p < .01$).

Hypothesis $H2$ proposed a stronger effect of brand identity perception on brand commitment for connotatively focused experiential architectures (BMW Welt and Mercedes-Benz Museum) than for denotatively focused functionalist architectures (BMW Tower and Audi Forum). To test this moderating effect, we split the dataset and rebuilt the structural equation model for each group. The amount of variance explained substantially decreases for functionalist architecture ($R^2 = .06$), whereas it increases for experiential architecture ($R^2 = .18$, see Fig. 2). For denotatively focused functionalist buildings, the influence of brand identity perception and building aesthetics do not remain significant. In contrast, these effects are significant for experiential architecture. These results support our theoretical reasoning about the stronger impact of experiential architectures according to their higher expressive quality. Interestingly, the path coefficients from brand knowledge are also lower in the functionalist architecture group ($\beta = .20; p < .01$) than in the experiential architecture group ($\beta = .30; p < .01$). This
finding may indicate that more brand knowledge is needed to decode brand identity from more complex, connotatively focused experiential buildings (mainly defined by the representation of brand values) than for the decoding of corporate design elements.

5. Discussion of findings

Based on the empirical observation that companies focus increasingly on architectural concepts’ communicative aspects, we introduce architectural branding as an instrument of internal brand management. To date, evidence has hardly been reflected in academic research on brand management. This paper offers initial support for an explicit consideration of architectural elements in internal brand management. The results are discussed in the following sections.

Effectiveness of architectural branding. Based on an elaborate analysis of four architectural branding examples by three automotive companies, this research provides empirical evidence that architectural branding can foster employees’ brand commitment if the corporate architecture reflects the company’s brand identity and if building aesthetics are positive. Although the effect of the perception of brand identity on brand commitment (i.e., the effect of architectural branding) is rather small in magnitude, it is still noticeable given that architectural branding is only one of many instruments of internal brand management.

For connotatively focused experiential buildings, such as the BMW Welt and the Mercedes-Benz Museum, the effect sizes are generally larger. Compared with denotatively focused functionalist buildings that, first and foremost, represent brand identity by reference to corporate design elements, experiential buildings communicate a brand’s values and thus communicate a broader concept of brand identity. Moreover, experiential architectures frequently attract high levels of media coverage, which further enhances the impact of brand identity perception on employees’ brand commitment via the “second-audience route.”

Moreover, experiential architecture was perceived as aesthetically more appealing than functionalist architecture (see Tab. 2). This can be explained within the framework of visual rhetoric. To the same extent as “artful deviation” of written text (for example, through the use of rhetorical figures) leads to “pleasure of the text” (Barthes 1975), McQuarrie/Mick (1999) found that artful deviation in visual advertising leads to more positive evaluations compared to a standard ad. Similarly, artfully deviating experiential architecture should evoke more pleasure than standard functionalist architecture.

Relevance of brand knowledge. Brand knowledge seems to be an important antecedent for the decoding of brand identity in architecture. Brand knowledge becomes particularly important in the case of the more complex decoding of connotatively focused experiential architectures. Nevertheless, note that brand knowledge only facilitates the perception of the brand identity in architecture. This is in line with the theoretical argument that the architectural design, first and foremost, communicates via its own means, which should therefore be designed carefully according to brand identity.

6. Limitations, future research, and managerial implications

Limitations and future research. This research provides important, albeit initial, support for the effectiveness of architectural cues in an internal brand management context. It complements consumer research on architectural elements’ impact on attitudinal and behavioural dimensions and provides evidence regarding brand commitment’s manageability as a central variable of internal brand management. Because there is no previous research in this specific field, we want to address some boundary conditions that provide scope for further research.

The results are based on data from three major automotive companies. For each architectural branding type (functionalist and experiential) we had included two building examples that represent different companies. This fact contributes to the external validity and generalisability of our results. All examples stem from the automotive industry, however. As architectural branding is currently restricted neither to automotive companies nor to big companies, generalisability across industry needs to be proven. Moreover, the internal validity might be affected by variables for which we could not control (e.g., the number of personal visits to the space, the intensity of the media reception). Nevertheless, we do not see theoretical reasons why these variables should change the direction of effects. In line with theory, personally visiting the place and more intensively perceiving the building in the media should both strengthen the perception of brand identity and thus its influence on brand commitment. It would still be desirable to further clarify these potential influences to ensure the stability of our results.

Our research did not encompass other instruments of internal brand management. Therefore, we cannot exclude that our model suffers from an omitted variables bias which may have influenced our model parameters. Neither can we give evidence regarding architectural branding’s relative importance. Compared to other instruments, architectural branding might be less effective given the inferior clarity and flexibility with which a brand message can be spread internally. However, due to its permanence in the employees’ environment, it might still be an instrument that more sustainably strengthens employees’ identification with their working environment and their employer.
Finally, for future research, it would be desirable to expand this research to other organizational stakeholder groups (e.g., customers, suppliers, and retailers). Besides, employees, customers seem to be a particularly important target group for architectural branding – specifically, in the case of flagship store design, experience worlds, and brand museums.

**Managerial implications and conclusion.** This research showed that architectural branding – beyond demonstrating power, generating public awareness, and shaping consumer impressions of a brand – has positive effects for internal brand management. The motto, “what is beautiful is good” needs to be expanded. Aside from the widely consensual call for aesthetic architecture, it is also its expressive quality – i.e., the perception of the brand core, the brand values, and the corporate design – that triggers employees’ brand commitment. It seems advisable, therefore, to integrate employees early in the pre-planning phase to ensure brand fit and aesthetic appreciation. In the realisation stage, public visibility and media multiplication seem to critically determine the efficacy of architectural branding.

We showed that architectural branding generally has a positive impact but is particularly successful if the brand identity is translated in an experiential way. The positive outcomes of brand commitment (e.g., higher employee retention, higher willingness to show extra-role performance) can be used to additionally justify investments in company buildings. However, potentially high costs, for example, for renowned architects or extravagant architectural designs are, from an internal brand management perspective, only worth the expenditure if they lead to a successful translation of brand identity in experiential buildings.

**Notes**

[1] The brand commitment construct was developed by building upon findings on organizational citizenship behavior (Zeplin 2006, p. 71). A distinction between brand and organisational commitment is only necessary when different brands are unit ed in one company (Brexendorf/Kernstock 2007, p. 38).

[2] The German brand claim *Vorsprung durch Technik* is used worldwide. Only the US market uses the English brand claim *truth in engineering*.

**References**


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Keywords

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