



# Corporate real estate mirrors brand: a conceptual framework and practical applications

Corporate real estate mirrors brand

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## Abstract

**Purpose** – The purpose of this paper is to show how international companies (can) use real estate as a means to reinforce corporate identity and to express brand values in order to evoke a positive image in today's competitive world.

**Design/methodology/approach** – A review of literature, seven case studies including analysis of company documents and in-depth interviews with marketing experts and real estate advisors, and a cross-case analysis showing the translation of brand core values in real estate strategies of these multinationals.

**Findings** – The findings show that brand values are incorporated in the location strategy, building strategy, workplace strategy and at portfolio management level by all companies, but in different ways and with different focus points. Most commonly used brand values are “Green” values, i.e. sustainability, reliability, transparency, innovation and people oriented. Branding policies take into account both internal stakeholders such as the employees and external stakeholders such as customers and investors.

**Research limitations/implications** – The number of interviews is rather small and limited to Dutch staff members of multinationals. Reliability of the findings was enforced by triangulation through connecting the interview findings to literature and strategic documents. Additional empirical research is needed to further explore which strategic choices can be made and in particular what are the actual costs and benefits of “branding by real estate”.

**Practical implications** – The different ways to translate corporate brand values in real estate and the conceptual framework that has been developed to describe the step-by-step approach – from defining a vision to translating corporate culture and corporate identity into a well-considered real estate strategy – can be used by policy makers and real estate managers in real estate decision-making on strategic, tactical and operational level.

**Originality/value** – The paper links findings from corporate real estate management with insights from marketing theory and adding value by real estate.

**Keywords** Strategy, Real estate, Branding, Corporate identity, Corporate image, CREM

**Paper type** Research paper

## Introduction

In today's world, people talk about brands, people wear brands, drive them, eat them and admire them. Everything people do and experience today somewhere is a “brand experience”. Due to a globalizing and extremely competitive society where product and service differentiation is no longer sufficient to maintain a good market position, the value of a company and its products depends more and more on adequate branding



(Appel-Meulenbroek *et al.*, 2010). As a consequence it becomes necessary to use every opportunity of using corporate resources as a means to communicate brand values. Corporate branding is directed to the overall perception that internal and external stakeholders have of an organization and the image created in their mind of the corporate identity (Balmer, 2001). It extends to the core of the organization and is believed to create, communicate and deliver value to customers in a manner that benefits the organizational performance and supports competitive advantage (Balmer and Gray, 2000).

Corporate identity is propagated through all facets of a company people come into contact. For this reason branding requires the engagement of everyone in the organization, from CEO to HR, IT, RE and production departments. For instance, human resources managers can incorporate cultural matters and corporate values in training and development programs in order to encourage employees to express cultural values in their behaviour. Production departments are responsible for designing products and delivering services that are coherent with the brand values of the company.

In the domain of corporate real estate management (CREM) the role of the real estate strategy in communicating brand values to internal and external stakeholders is recognized as well. De Jonge (2002), in De Jonge *et al.* (2009) mentioned seven ways to add value by real estate, including its impact on marketing and sales, as such transforming real estate from a cost factor to a corporate asset. The impact of corporate real estate on marketing and PR is also included in a number of frameworks that connect corporate real estate to shareholder value and organizational performance from the perspectives of different stakeholders (Nourse and Roulac, 1993; Roulac, 2001; Lindholm and Leväinen, 2006; Lindholm *et al.*, 2006; De Vries *et al.*, 2008; Den Heijer, 2011; Jensen *et al.*, 2012). A real estate strategy that is aligned with branding objectives can add value to the core business by evoking a positive image and as such attract and retain customers and talented staff and contribute to distinctiveness and competitive advantage (Harris and De Chernatony, 2001). Real estate can have presentation effects that are hard to imitate or substitute with other means. The location and building choice might influence the marketing costs of an office firm (Archer and Smith, 2003). It is assumed that this might reduce communicating costs in advertising campaigns (Heywood, 2008).

The aim of this paper is to investigate if and how multinationals nowadays incorporate brand values in their corporate real estate strategies to strengthen the corporate identity, if these strategies are directed at internal or external stakeholders or both, and at which levels branding by CREM is being applied in practice: portfolio management, location strategy, building strategy and/or workplace strategy. For this purpose interviews were conducted with marketing experts and real estate advisors from seven multinationals. Based on a review of literature, a relationship framework has been developed that visualizes the alignment of the real estate strategy to branding objectives of the organisation. This framework has been used to structure the data-collection and findings from the case studies. The next section presents this framework. Then the research methods and findings will be presented. The paper ends with reflections and conclusions and some suggestions for further research.

### **Theoretical framework**

Corporate branding can be part of a marketing strategy by using the corporate identity as a unique selling proposition (Hatch and Schultz, 2003). As such branding strategy

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starts at organizational level by recognizing the corporate identity and defining the aimed image of the organization. The next step is to “translate” the corporate identity into corporate brands and brand values that differentiate from competitors and enhance the system and loyalty of stakeholders, and to discuss how to communicate these values clearly and consistently. Brand values are transmitted to the world by various corporate communication channels to reach both internal and external stakeholders (Balmer, 2001). The concept of corporate communication is much broader than marketing communication which focusses on external stakeholders, mainly customers, and is product orientated. A corporate communication mix consists of primary, secondary and tertiary channels of communication (Balmer and Gray, 1999). Primary communication channels relate to communication effects form products, services and corporate behaviour. Secondary communication channels encompass corporate activities such as advertising, sales promotion, and the visual identification system (symbol and/or logo, slogan, typography and colour). Tertiary communication channels consist of messages regarding the organisation that are conveyed by third parties, for instance word-of-mouth advertisement.

Corporate real estate can be seen as a secondary channel of corporate communication. It provides a visual representation of corporate identity, on different scale levels: particular buildings such as the headquarters, parts of buildings, e.g. front offices, particular places such as entrance halls, or the overall real estate portfolio. The location (site), the building – in particular the appearance by its skin and other building characteristics such as the height, composition and texture - and workplace characteristics (space) such as the level of openness are useful means to express brand values to internal and external stakeholders. The importance of image effects of the location has been long recognised and is often referred to as the “right address”. The “location location location” mantra still holds for current offices. A firm may be known by its neighbourhood or by the building it occupies (Koppels *et al.*, 2009). Regarding building level, corporations might choose to accommodate themselves in iconic buildings, on prime locations, in order to communicate their corporate brand values to its employees, clients and other stakeholders. By choosing a particular form, an organization transmits messages about its values and aspirations – for example by opting for the representation of progress, power and success associated with a skyscraper, or by architecture referring to industrial design and a living machine of innovation, as is shown in the corporate headquarters of Oakley, California. This building is a monument for the machine age, to honour invention. “The exterior architecture signifies a fortress to bunker the triumphs of patented innovation, which is one of the major brand attributes of Oakley”.

The physical image of the building may advertise and attract attention to a firms goods and services. The increased interest of companies to buy or lease sustainable office buildings can partly be explained from this perspective. It provides organizations with a means to communicate their corporate social responsibility (Thyssen, 2011).

As Lindholm *et al.* (2006) argue the work place strategy also provides possibilities to communicate brand values. The office and facility layout might for example reflect the organization emphasis on team work, transparency, innovation or any other set of corporate brand values, see for instance, the work environments of Vodafone in Amsterdam versus the interior design of BBC, British headquarters (Plates 1 and 2).

The Vodafone NL’s Amsterdam headquarters melds brand value speed in the workplace; the provision of the NS train module as a work space shows how

**Plate 1.**  
Work spaces of Vodafone,  
Amsterdam

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**Plate 2.**  
BBC North,  
Salford-designed by ID:SR

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the interpretation of the brand value is made in the workspace (see also Plate 3); on the other hand, BBC wants to provoke “a smile”; with innovative use of “dead space” for meeting pods, and all staff in one area, it is a good place for collaborating; printed with permission.

Organizations should not focus solely on characterizing their brand externally, but also bring brand in life in the internal world as well. While the location, building, and portfolio strategy affect both the perception of the corporate identity by internal and external stakeholders, it can be argued that the workplace strategy mainly aims at expressing brand values to internal stakeholders (Van Loon *et al.*, 2006). According to Ward and Holtman (2000) the “narrative office” brings brand values alive, act as a receptacle for corporate memory, and gives employees constantly visual stimuli to promote a service ethos.

The final step in “branding by real estate” is to investigate how both internal and external stakeholders perceive and appraise companies’ real estate and what the impact is on corporate image. A positive image may contribute to competitive advantage through differentiation from competitors, in addition to two other corporate real estate



**Plate 3.**  
Mobile workspace of  
Vodafone designed  
as a train workstation

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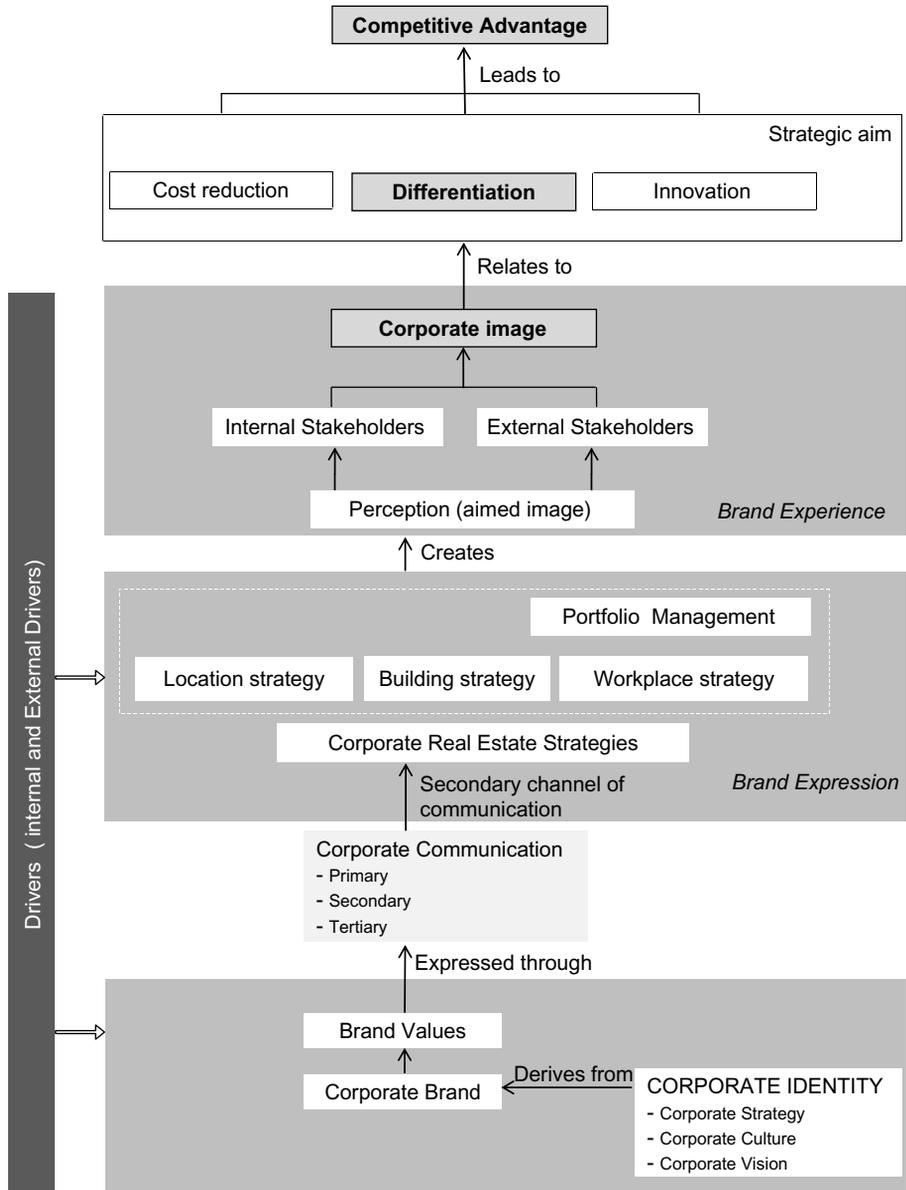
strategies to achieve sustainable competitive advantage: cost reduction and innovation (Heywood and Kenley, 2008). Brand strength is influenced by the extent to which the interpretations of the brand are congruent. If the perceived corporate image is similar to the conceived corporate identity by the organisation, than it strengthens the corporate identity and supports competitive advantage. Figure 1 shows a conceptual framework with different layers in connecting corporate real estate strategy to branding by real estate strategy.

### **Research methods**

In order to empirically test and further explore this conceptual framework, seven case studies were conducted to investigate organisational strategies on three levels: business strategy, functional strategy and operational strategy. Each case has been analysed by investigating corporate brand values and how these values are translated into the location strategy, building strategy, workplace strategy, and portfolio management. Furthermore, it was ascertained if the organization strategy of communicating specific brand values was aimed at internal and/or external stakeholder. Data were collected through interviews with representatives from the marketing and real estate division. Most of them are working at the corporate headquarters of the organizations. In addition, document analysis of annual reports and real estate strategy documents was carried out. Finally a cross-case analysis was conducted in search of similarities and dissimilarities. Due to the explorative nature of the study, the case selection ensured that organizations from various economic sectors are represented in the sample. Furthermore, the selected cases consist of a mix of companies belonging to the business to business (B2B) marketing (two cases), business to customers (B2C) marketing (one case) and a combination (B2B + B2C) of both categories (four cases), in order to learn from practices across various sectors.

### **Research findings**

The studied organisations demonstrate a variety of corporate real estate management strategies. Five organisations typify their functional REM strategy as a cost reduction



**Figure 1.** Conceptual framework showing the possible role of real estate in corporate branding

**Source:** Built on Balmer and Gray (1999)

strategy (partly due to the financial crisis), sometimes in combination with an incremental or growth orientated strategy. This is also reflected in the brand awareness of the corporate real estate management department. The integration of brand values in the operational real estate management strategy is not perceived as

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very important by these organizations. However, cost reduction is usually connected to effective and efficient use of a company's resources and as such is still related to real estate. Remarkably the sustainable brand value is incorporated in the operational REM strategy of all organisation, independent from the overall REM strategy, partly due to the link with effective and efficient use of scarce materials, but more likely to expresses the perceived necessity of legitimating business operations to internal and external stakeholders from ecological perspective.

Furthermore, it turned out that brand values are not static, due to changing visions and core business strategies. For instance, in the phase of growing one of the companies focused on transparency and innovation, whereas since the financial downturn most real estate decisions are driven by cost reduction.

Most interviewed companies believe that branding by real estate supports their marketing policy and results in competitive advantage by differentiating from competitors. As one of the interviewees said:

We tend to bring people within the space we generated by making it open for new investors and customers. Real estate adds value by supporting the brand loyalty and brand awareness amongst employees. The move of the headquarters to a more exciting location attracted 200 talented workers and evoked a positive image amongst employees, customers and investors. The WOW factor adds to job satisfaction and top employer brand.

On the contrary, another respondent stated that the company does not see marketing as one of the added values of real estate:

[...]our money is made by consultancy hours, most of our consultants don't stay in the office very often but visit clients, so our headquarters is just a facility to accommodate staff and other employees and is not used for branding.

As a consequence, the headquarters is located in an A building near Amsterdam and not in an AAA grade building in Amsterdam, and the facades are not very iconic "because the primary investment is in the work force that is the key factor to success".

Table I shows how five common corporate brand values – innovation, sustainability, reliability, people orientated and transparency were translated in the operational real estate strategy, i.e. the location strategy, building strategy, workplace strategy and portfolio management strategy (Table I).

### *Innovation*

Companies considering innovation as one of their brand values closely link innovation to technological developments within their core businesses, for instance Philips, Vodafone and Logica. The IT department is strongly involved in the translation of this brand value into real estate by application of new technological developments. In the location strategy, the brand value "innovation" is usually depicted by choosing the location in regions where talented labour is concentrated, e.g. in Eindhoven (location of the Innovation Hub of Vodafone). However, this operational decision might be less related to a differentiation strategy and merely be driven by perceived innovation advances of economic clusters, which are believed to stimulate innovation (Porter, 1998). In building strategy "innovation" is often linked to biometrics authentication by technology, i.e. to control physical access to buildings for reasons of security and to make buildings "Smart". Innovative work place strategies focus on flexible working with non-assigned "hot" desks.

**Table I.**  
Five most common  
corporate values being  
branded by real estate

	Organisation A	Organisation B	Organisation C	Organisation D	Organisation E	Organisation F	Organisation G
Sector Location	Telecommunication Corporate Hq. – Amsterdam	Mail and parcel delivery Corporate Hq. – The Hague	IT consultant Corporate Hq. – Amsterdam	Banking Corporate Hq. – Amsterdam	Oil and gas supplier Corporate Hq. – The Hague	Electronics and lighting Corporate Hq. – Amsterdam	Food retailer Corporate Hq. – Zandam
Marketing segment	Combi B2B&B2C	Combi B2B&B2C	B2B	Combi B2B&B2C	B2B	Combi B2B&B2C	B2C
Business strategy	Identical sales growth, strong consumer brands, allocate capital to new growth	Meeting growing global demand for energy and minimise environmental impact. Develop alternative energy to complement today's core businesses and establish new income streams	No information available	Focus on strong position with attractive home market in Northern Europe. Create value for shareholders. Strengthen capital, liquidity and funding	Improve consumer power and digitisation by combining mail, parcels and e- commerce	Open Innovation strategy, joint effort amongst business lines, customer-centric, focus on meeting local market needs	Take maximum advantage of business opportunities to become number one provider of fixed and mobile business services in NL within three years. Offer added value to all stakeholders
Real estate strategy	Growth, value-based	Incremental, cost reduction	Cost reduction	Incremental, cost reduction	Standardization	Cost reduction	Growth, cost reduction
Brand Awareness CREM	Very high	Moderate	Low	Low	Very high	High	Very high
Innovative Location strategy	Head office in Eindhoven		Operational strategy; brand values that can be read from real estate				
Building strategy	Multifunctional rooms, C2C materials		Near innovative corporations		Videoconference rooms; biometric	Concentration innovative labour, used in the R&D department location, based in eindhoven "bramport"	Display of innovation in lighting use of their own developed products in the buildings – which go through an EcoDesign process
Workplace strategy	Continuous IT upgrades; desk sharing		Spark innovation centre, innovative meeting rooms, brainstorming cubicles		Global innovation guidelines; IT technology; LCD screens showing latest technological developments	Open Innovation strategy which leverages the joint effort between the different department expertise in the organisation, like lighting, design. Organisation has material lab, reliability lab under innovation expertise	
Portfolio management	Flexibility; all buildings are leased	Digitisation – combining E commerce with in their services		innovative real estate actions, involving real estate advisors like CBRE, JLL for location mapping scheme			Ahold acquires leading online retailer bol.com, opening the door to new opportunities, which will accelerate online growth

(continued)

	Organisation A	Organisation B	Organisation C	Organisation D	Organisation E	Organisation F	Organisation G
<i>Sustainable</i> Location strategy	Near public transportation; less parking facilities; incentives for employees	Near public transportation/ close proximity to station	Concentration in five major locations instead of 12	Centralized operations; optimum utilization of resources; relocating to old building; high accessibility	Close proximity to train station	Decentralisation; close to public transport; incentives for employees;	Close proximity to public transport and daily amenities
Building strategy	Video conferencing facilities; smart biometrics; green moss visible in façade; grey water; LED lighting	Use of CO <sub>2</sub> neutral produced Biogas; recycling of building materials	Monitoring energy consumption; outsourced to energy consultancy	Landscaped green; inner atriums air carriers plants	Green lease: LEED certified; proper KPIs and BSC	Ecofriendly lighting and furnishing; C2C material; sustainable lighting products	Optimum usage of real estate; energy saving measures; multifunctional rooms
Workplace strategy	C2C, mobile way of working	Energy efficient materials; new ways of working with desk-sharing	Smart working principles; video and skype conferencing	New ways of working – less mobility, less CO <sub>2</sub> emission	New ways of working – less CO <sub>2</sub> emission; C2C materials	Sustainable lighting, green carpeting products. All products go through identifying environmental impact in terms of energy efficiency, recycling, weight and lifetime reliability	Flexible workplace; eco friendly workspace
Portfolio management		Centralization of operations; combining facilities: “shops in shops” reducing real estate portfolio by housing Post-NL services in Ahold retail outlets	Reducing of sq.m. in portfolio – less CO <sub>2</sub> emission; sub lease vacant buildings	Adaptive reuse (transformation); BREAM, LEED; exit strategy; buying/ renting vacant stock	Green lease; BREAM, LEED certification; energy efficient lighting; re-alignment of territories	Consolidation; less CO <sub>2</sub> emission; long lease span	Consolidating operations; long lease span 15 years, transformation of office buildings to other functions
<i>Reliable</i> Location strategy				Relocation of Hq. to existing building from 1980s; right use of available resources	Closer proximity to influential stakeholders and residential/hotel facilities within the campus		
Building strategy				Reliability on employer – services like 24/seven economy; self sustained corporate campus with crèche, diversity cultural needs, mosque	Standardization of workspaces; coherence at different locations		
Workplace strategy							

(continued)

	Organisation A	Organisation B	Organisation C	Organisation D	Organisation E	Organisation F	Organisation G
Portfolio management	Buy vacant office buildings; right use of capital and resources	Extensive movement in the city activities and combining their marketing campaigns with the workplace innovation campaigns, campus	Landmark image; highly visible	Combining facilities: "shops in shops"; Housing Post, NL services in Ahold retail outlets which have similar target audience	Renting or selling vacant buildings; adaptive reuse	Green lease; corporate social responsibility	
<i>People oriented</i> Location strategy					New location choice based on employee value proposition		
Building strategy					People oriented services, e.g. barber shop, fitness centre, learning centre and special facilities such as a place for prayer and halal food		Recreation facilities – fitness, aerobics, indoor squash rooms; zones depicting history; names of conference rooms
Workplace strategy					Based on employee value proposition		Projectrooms and discussion rooms to stimulate collaboration
Portfolio management							acquiring Bol.com provides more choice, greater convenience and better value for customers
<i>Transparent</i> Location strategy							
Building strategy	Use of glass; visible connections; atriums; double height spaces; movable partitions						Semi transparent movable partitions; open plan; no exterior facade brick and glass
Workplace strategy	Flexible workplace; glass; semi transparent organisation structure						Flexible working; no hierarchy in workplaces
Portfolio management							Regular publications about real estate decisions to outside and internal world

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### *Sustainability*

A majority of the companies stated that one of their prime brand values is sustainability. Implementation of sustainable real estate measures are partly driven by the perceived necessity to deflect the negative image caused by the ecological impact of the core business. This was mentioned by organisations B and E from logistics and petrochemical industries that are under intense scrutiny of society and perceive sustainable real estate management as a visible declaration of their ecological responsiveness. Furthermore, employees also understand their responsibility in contributing to a sustainable environment and are keen to work in sustainable buildings. According to one of the financial sector organizations, sustainability gained more ground in the period of economic downturn.

At location level most organizations translate the sustainable brand value through the proximity to public transport (particularly a train station) and centralization vs decentralization. Regarding the building strategy sustainable brand value is communicated by implementing energy management programs, BREEAM or LEED-certified headquarters, video conferencing facilities, and optimizing the foot print by desk sharing to achieve Co<sub>2</sub> reduction targets. An interesting observation is the use of core business sustainable products like sustainable lighting and carpeting to maximize the energy efficacy, e.g. by Philips in Amsterdam headquarters. Regarding to workplace strategy all seven organizations focus on flexible/smart/alternative workplace concepts to showcase the sustainable brand value which also provides flexibility and reduces occupancy and facilities costs. The use of cradle to cradle material is another option that is incorporated in workplace strategies to showcase the sustainable brand value. The sustainable brand value is also communicated via portfolio management through optimization of the real estate portfolio, adaptive reuse of redundant office space, long lease spans, and BREEAM or LEED certified buildings.

### *Reliability*

Measures to communicate the brand value reliability are closely linked to continuity (e.g. life span use of existing buildings) and smart and efficient use of capital and other resources (e.g. adaptive reuse of vacant buildings). For financial institutions like ING it is extremely important to show their investors and customers that they use capital in an intelligent way, e.g. by relocation to the old headquarters building, involvement of real estate consultants such as CBRE to optimize the real estate portfolio, and making social responsible decisions to reduce the problem of high vacancy in the office stock. Whereas the real estate interventions that were mentioned to express the brand value reliability might in some cases also being related to cost reduction, differentiation from competitors seems to be the dominant motive.

### *People orientation*

This brand value is mainly focused on internal stakeholders as targeted audience. The involvement of employees in designing their workplaces as in Philips headquarters supports a sense of association and is an interesting way to share the corporation vision and core values with the internal stakeholders. Other measures include the incorporation of employee values in location choices, supply of employee services, and application of new office concepts to improve social interaction. One of the companies' brand values is "connecting people". This has been translated in a location in the city centre, with a high

exposure to the outside world and customers, visible from the highway and served by two train stations. The emphasis on enhancing social interaction is often also connected to a competitive strategy based on innovation advances. Face-to-face enables the transfer of non-codified knowledge and is believed to foster innovation.

*Transparency/openness*

Transparency is communicated by the building strategy of all seven organizations with a strong focus on internal stakeholders. Use of glass, flexible working and the open voids or atriums in the building architecture enhances visual connections. The workplace strategy is linked to the organization culture and reflects the organizational structure. In addition, real estate and other facilities are also used to support the distinctiveness and reputation of the company. For instance by choosing a high rise building as visible element in the skyline of the city, or the use of a huge reception desk with the back wall showing the company logo and a lighting effect that evokes an atmosphere of spaciousness and richness. The oil and gas supplier organisation applies global guidelines for workplace design at all levels of real estate to induce an enterprise identity. The large hanging banners in the atrium of the Ahold headquarters showing sub-brands like ETOS, Gall n Gall, etc. illustrate the large products range of this company. The historic showcase in the visitor lobby and the reception zone shows the artefacts from 1890 that were sold in the first shops. In the Post.NL headquarters a huge typographical art work with meter high letters on the glass panel, with different coloured foil, shows the various promises of this company to the customers. The large size of the conference hall expresses the magnitude of the target group of Post.NL. The colour red in the interior refers to the traditional use of red in post offices and post boxes. Branding by real estate is primarily applied through the sorting centres that are considered as a window to external stakeholders, and the post shops, where the company gets in touch with the targeted audience, i.e. the customers.

Other values such as trust, speed and simplicity are less often communicated by real estate. Trust is sometimes translated in a location in a safe area, transparency, and facilities that support employees' well-being to make them feel comfortable. Speed is connected to close proximity to public transport. In one case simplicity was mentioned to be the driver to naming all floors in connection to its function and to check the location for easy access to amenities for daily purchases. To make employees aware of the involvement of the organization in the outside world, Vodafone calls one room the Red Room to refer to the theme of Formula 1 races. They also connect trust to new ways of working with a high level of employees' autonomy in deciding when, how and where to work, and express the speed value in train modules in workspace (Plate 3).

**Similarities and dissimilarities between B2B and B2C organisations**

In the first segment of combining B2B and B2C marketing organization A (Vodafone) incorporated the brand values to a great extent at all level of real estate strategies. Being from the telecommunication sector, real estate is considered as a strong mean to communicate brand values to internal stakeholders, which adds value to the employees by positive feelings and intangible benefits, like a stronger brand association. Vodafone attained cutting edge by combining marketing campaigns such as "Hallo Amsterdam" with a changing workplace real estate strategy, as such showing an integrated multidisciplinary approach to attain tangible and intangible benefits.

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Regarding the two cases in the B2B marketing segment, organization E applies a standardization strategy and considers real estate as an important mean to communicate their HR policy and employee value proposition to their internal stakeholders, the employees. On the contrary, organisation C, an IT consultancy firm, believes that branding by real estate is not their prime concern; the headquarters is just used to accommodate employees and support services.

Organization G belongs to the B2C marketing sector. Being from the retail industry organisation G expresses their brand values in their real estate, mainly through retail outlet stores (the place where customers come) and less through the corporate headquarters, though most of the brand values mentioned were well-translated in the business headquarters. The headquarters location, Zaandam, contributes to the company's Identity and is a basic component of its market position.

### Reflections and recommendations

Some brand values showed to be easier to translate into real estate measures than others. Transparency is often literally translated at building and workplace strategy level, by much glass and lack of walls. Sustainability is usually communicated by proximity to public transport, energy reduction measures, BREEAM or LEED label, Cradle to Cradle materials, optimum usage of available resources in the portfolio and efficient use of space by new ways of "smart" working. Innovation is often linked to innovative products and materials – in particular when it is possible to apply own products, and new ways of working. This kind of values is both communicated to external and internal stakeholders. Being people oriented is partly translated in involvement of employees in design processes and partly in implementation of new ways of working to give them more autonomy and a better work-life balance and as such focuses on internal stakeholders, whereas reliability is often linked to life span use of buildings and cost effectiveness, with a focus on external stakeholders. The upcoming objective of corporate social responsibility is primarily communicated by brand values such as sustainability, reliability and being people oriented.

Generally, three motives for office users to lease or buy green buildings are recognised: increased operational efficiency due to lower occupation costs, improved worker productivity due to a better indoor climate, and corporate identity considerations. The translation of sustainable brand values in operational real estate strategies can therefore not be seen as solely part of a differentiation strategy, but might also be part of a cost reductions strategy.

Also some inconsistencies have been observed. For example, one of the companies wants to brand themselves as a sustainable company, whereas they do not apply BREEAM or LEED as a performance indicator of their buildings. Another company wants to attract young talented workforce by an open, dynamic and innovative work environment, but the cellular office does not support these brand values. Some decisions are a little ambivalent. On the one hand the choice of Post.NL to accommodate small post offices in Ahold stores and book shops seems to be mainly directed by efficiency and cost reduction. However, this choice is also connected to brand values such as "connecting people" and being a highly reliable organisation that provides easy access to its customers. From a managerial point of view still much work has to be done to incorporate "branding by real estate" in practice; According to one respondent:

[...] corporate real estate managers are unable to see the bigger picture. The implementation of ideas is carried out in bits and pieces and lacks coherence and one holistic theme. Most decisions are mainly cost driven with a focus on short term results.

Regarding B2B marketing versus B2C marketing, some interesting observations came to the fore. One B2B case focuses on cost reduction, the other one on standardization. Whereas the latter case explicitly stated to consider real estate as an important means of communication to their internal stakeholders (employees) and link their HR policy of employee value proposition with their real estate decisions, the former case – considering people as their prime asset - does not align actions to retain and attract talent worker to their brand values.

The results confirm that real estate can add value to the organisation. This concept has been discussed intensively by Porter (1985) and is also often used in research and reflections on a resource-based view of the firm (Wernerfelt, 1995; Fahy, 2000). Using real estate to express brand values can contribute to differentiation but should also be assessed according to its contribution to cost reduction and innovation.

#### *Practical implications*

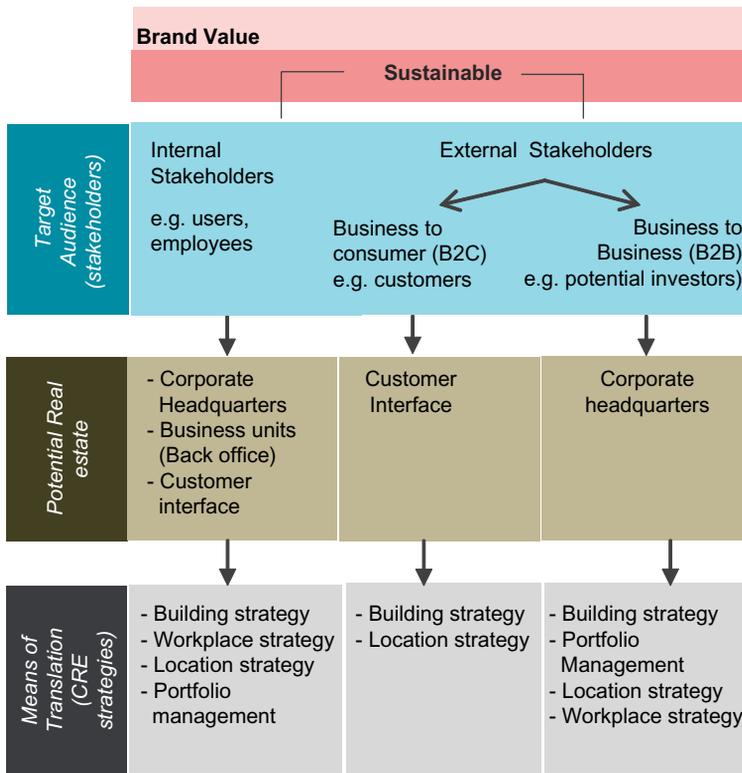
The present study showed many ways to use real estate as a means to communicate brand values and to evoke a positive corporate image. The findings can be incorporated in corporate real estate management regarding the location strategy, building characteristics and workplace strategy, and on overall real estate portfolio management level.

The generic diagram Figure 2 shows how the five most common brand values are/can be translated in accordance to the targeted audience in three layers. First the target audience has to be defined. The internal stakeholders may consist of users and employees whereas the external stakeholders can be divided into current and prospective consumers and potential investors. The middle layer shows the scale of potential properties through which the brand values could be transmitted. Regarding internal stakeholders, all five brand values can be communicated by real estate on different scale levels: corporate headquarters, business units, back offices, etc. For instance, in case of a business to consumer organisation a customer interface like an outlet might be helpful, whereas for potential investors branding by corporate headquarters will be more appropriate. The third layer shows the most powerful means to communicate brand values by real estate.

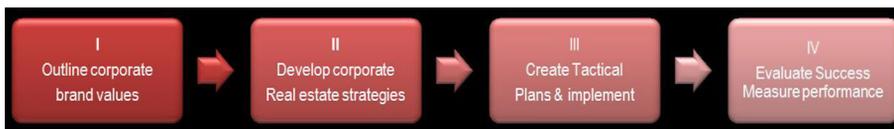
It is recommended to conduct a step-by step plan to incorporate real estate in the marketing strategy, taking into account both internal and external stakeholders. Possible steps could be (Figure 3):

*Step 1.* Outline the corporate brand values:

- List down the elements of brand essence.
- Examine and evaluate the vision of the organization.
- Identify the basic organizational culture characteristics.
- List down the main elements of the corporate business strategy and organization's objectives.
- Summarize the corporate brand values.



**Figure 2.** A three layer approach of branding by real estate including both internal and external stakeholders



**Figure 3.** Step-by-step plan to branding by corporate real estate

*Step 2.* Define corporate real estate strategies to communicate brand values:

- Define the strategic directions in CRE and the desired supply for well-integrated brand values.
- Decide which potential properties are important for communicating the listed corporate brand values.
- Define the target audience to whom the brand values are needed to be transmitted.
- Outlining the strategic means of translation brand values in CRE strategy.

To accomplish Step 2 it is important to organize effective interactions with internal stakeholders such as the (departments of) HR, IT, finance, marketing and PR, with shareholders, with (representatives of) employees and with external stakeholders such as architects, real estate advisors, and so on. Decision-makers such as the C-suite need

to be in constant dialogue with other parties to make sound and effective decisions and incorporate the expertise of internal and external stakeholders:

*Step 3.* Create a tactical action plan:

- Identify actions/measures to translate corporate brand values in corporate real estate strategies.
- Make use of the translation of most common brand values of the investigated corporations.

*Step 4.* Evaluate and communicate the success of “branding by real estate”:

- Define the success factors of the translation of brand values in CRE strategies.
- Evaluate the employer brand rank after implementation.
- Conduct a brand values awareness campaign amongst internal and external stakeholders.
- Implement similar measures across other potential properties, standardized if possible.
- Communicate the results internally and externally.

The coherence between perceived corporate image and conceived corporate identity by the leaders is a sound indicator of the success of transmission of corporate brand values in CRE strategies. Linking corporate brand values to CRE gives CRE managers a unique opportunity to add long-term value to the organization and as such to be a valuable strategic partner within the company.

#### *Further research*

Of course seven cases are a limited sample. It is therefore recommended to extend the present study with more cases, preferably in different sectors (offices, retail and leisure, education, health care, etc. and profit versus not-for-profit) and different cultures. Another next research step could be to extend data-collection methods with stakeholder surveys to investigate which values are recognized in real estate, which ones are appreciated and support a positive image, and if and how this actually results in improved organisational performance. In addition, an economic analysis could be carried out showing the cost/benefit of additional expenses using buildings as tools for brand transmission projecting qualitative aspects of branding through real estate strategies.

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