

Impact case study (REF3b)

Institution:	University of Northumbria at Newcastle
Unit of Assessment:	19 - Business and Management Studies
Title of case study: Using Strategic Marketing to Drive Business Development: The Impact of Research on Branding, New Product Development and Knowledge Based Communities of Practice	
<p>1. Summary of the impact</p> <p>Multi-disciplinary research in strategic management and marketing at Northumbria University's Newcastle Business School has helped Renown Engineering Group (RE) to reposition itself from a "product manufacturer" to a "knowledge based high margin service provider". The direct impact of the university/RE partnership is a significant £4 million increase in sales; a 30% increase in sales margins and a significant increase in profits. Applying insights from the same body of research the Business School has also assisted NE-based companies TASS and Modrec (through different KTPs) to implement successful business and brand development as well as product and market diversification strategies and helped Sunderland City Council (SCC) develop their branding tools and values.</p>	
<p>2. Underpinning research</p> <p>Strategic marketing involves a multi-disciplinary approach. Drawing upon embedded knowledge from existing and earlier research outputs from within the Business School, this case study illustrates how the results from a coordinated and synergistic approach to business marketing can change the way a company is perceived by its customers and stakeholders. There were three major research themes within the School that were drawn together by McLeay (Professor since 2009) in the execution of this project. Firstly, from the discipline of strategic marketing, (1 and 2 below) and secondly, in a major development in the field, through the innovative application within strategic marketing of Communities of Practice (CoPs) as a mechanism for driving organisational change (3).</p> <ol style="list-style-type: none"> 1. Focusing on developing an integrated approach that satisfies customer needs provides solutions and changes organisational culture, rather than a traditional production approach to business (Coates and Robinson, 1995; Coates, McLeay, Moore and Tagg, 2012). 2. Applying a brand development matrix to inform the brand development decision process together with other branding tools to provide a focal model for developing branding strategies in non-profit organisations (for example, TASS and Sunderland City Council) and SMEs (for example, Modrec and Renown) (Khan and Ede, 2009). 3. Transferring knowledge between and among communities of suppliers, customers and other stakeholders (Algezau and Filieri, 2011) using a communities of practice (CoP) approach (McLeay, Roberts and Yoganathan, 2013; Gertner, Roberts and Charles, 2011). Professor Roberts was involved in the research underpinning this case study while she worked within the Business School between 2011 and 2012. <p>Of particular importance to underpinning the business development within Renown Engineering group was the early work by Coates (1988 to date, Principal Lecturer) that was subsequently broadened and extended by McLeay. Research carried out in the early nineties by Coates demonstrated that transforming the marketing function could help organisations think not only about transforming product but about organisational culture. Coates' work with BICC Thermoheat, (through a Teaching Company Scheme) was awarded the highest grade by an independent TCS assessor for both scientific and technological merit, and management and use of resources. It recognised that marketing in isolation from other business processes was less effective. He argued a multi-disciplinary approach (Coates and Robinson, 1995) better met customer needs. Building from this, McLeay tested Communities of Practice (McLeay, Roberts and Yoganathan, 2013) as a technique to engage with a business' stakeholders and widen the knowledge base within an organisation thus driving organisational change which was implemented within Sage, The Community IT Academy and SCC.</p> <p>Although focusing on major engineering company RE, the approach utilised to create impact is transferable and has been successfully applied in two other recent KTPs which have enabled</p>	

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Modrec International (a distributor of business luggage) and TASS (The Talented Athlete Scholarship Scheme that provides scholarships to student athletes) to develop and implement branding and marketing diversification strategies focusing on new products and markets.

3. References to the research

McLeay F., Roberts, J. and Yoganathan, V. (2013) 'Transferring Social Marketing Knowledge through Third Sector COPs', *The Marketing Review*, 12 (4), pp381-401. Available at: <http://dx.doi.org/10.1362/146934712X13469451716637>

Coates N., McLeay F., Moore B., and Tagg J. (2012) 'Providing Solutions: A B2B Case Study of a SME Marketing Channel', *Institute for Small Business and Entrepreneurship Conference Dublin* November. Available at: <http://www.isbe.org.uk/McLeay12> or from Northumbria University on request.

Alguezaui S. and Filieri R. (2011) 'Innovation Across Tech-Firm's Boundaries: a Knowledge-Based View'. In, Contractor, F., Kumar, V., Pedersen, T. and Kundu, S. (Eds.) *Global Outsourcing and Offshoring. An Integrated Approach to Theory and Corporate Strategy*, Cambridge University Press, pp210-238. DOI: 10.1017/CBO9780511761607. Available at: <http://www.cambridge.org/asia/catalogue/catalogue.asp?isbn=9780521193535&ss=fro>

Gertner, D., Roberts, J. and Charles, D. (2011) 'University Industry Collaboration: a CoPs approach to KTPs', *Journal of Knowledge Management*, 15 (4), pp625-647. Available at: <http://dx.doi.org/10.1108/13673271111151992>

Khan H., and Ede D. (2009) 'How Do Not-For-Profit SMEs Attempt to Develop a Strong Brand in an Increasingly Saturated Market', *Journal of Small Business and Enterprise Development*, 16 (2), pp335-354. Available at: <http://dx.doi.org/10.1108/14626000910956092>

Coates, N. and Robinson, H. (1995) 'Making industrial new product development market led', *Journal of Marketing Practice: Applied Marketing Science*, 13 (6), pp12-15. DOI: 10.1108/02634509510094138. Available at: <http://www.emeraldinsight.com/journals.htm?articleid=854300>

Knowledge Transfer partnerships

- Northumbria University and the Renown Engineering Group (8171) funded by TSB. PI Prof Fraser McLeay; Associate Supervisor: N Coates, November 2010-November 2012, Grant value: £81,891 Grade "Outstanding"
- Northumbria University and Modrec International (8172) funded by TSB. PI Prof Fraser McLeay; Associate Supervisor: Dr D Hart, November 2010-September 2012, Grant amount: £88,000
- Northumbria University and TASS (Sports Aid Trust) (7954) funded by Economic and Social Research Council (25%) and TSB (75%). PI Prof Fraser McLeay Associate Supervisor: Dr M Sutherland, November 2010-November 2012, Grant amount: £81,910.00

Grant

Sunderland City Council Branding Research funded by Sunderland City Council
PI Professor Fraser McLeay, Researchers Dr M Green and V. Yoganathan, 2010, amount £5,900

4. Details of the impact

Three specific research themes were integrated and combined in a synergistic manner that, together with a responsive business engagement approach, has helped four organisations - RE, Sunderland City Council, Modrec (a distributor of business luggage) and TASS (the Talented Athlete Scholarship Scheme) – to develop and improve their strategic marketing, brand and business functions.

1. Developing an integrated approach that satisfies customer needs and changes organisational culture by providing solutions

The RE KTP, which commenced during 2010, embedded a strategic marketing approach to business and market development by establishing a market focus, and transferred marketing and business development knowledge, tools and techniques. At the start of the KTP, RE had no marketing department, expertise or focus and instead, engaged in a sales- and production-focused approach to business. The KTP aimed to maximise the potential of recent acquisitions by helping the company acquire and develop strategic business development expertise by creating for them a transferrable knowledge base to help them to diversify their products, services and markets. The new focus helped RE to develop and introduce a screening instrument to maximise new product/service development prospects whilst minimising opportunity costs. The tool is called Preliminary Estimation Tool for Enquiries (PETE), and has been responsible for screening and giving an initial "green light" on contracts worth £500,000 in 2012 alone (Source 1). The project also facilitated a strategic change in organisational culture in terms of business operation as well as repositioning the company from a traditional product manufacturer to a higher margin business solutions provider. As a result, RE began to provide *design support and fine tuning customised technical solutions for individual customers*. Thus, they produced a "water-proof, fire-proof, sound-proof door with easy access for off-shore wind turbines" rather than, as before, simply manufacturing ship doors to customer specifications.

"The "KTP relationship ... has been a great success for all involved. Academic knowledge and research has been helpful in our strategic thinking and planning, and the KTP continues to deliver tangible benefits not just to the growth of the business but it has also injected a 'feel good' factor which is permeating throughout the Renown team." (Managing Director RE, Source 2)

The Renown KTP project was giving the highest possible ranking of "outstanding" by an independent Technology Strategy Board KTP grading panel (Source 3). Less than 5% of KTP projects achieve an outstanding grade. As a result of the RE KTP, areas such as e-business function, exhibition management and market research have been improved and integrated with a focus on services and providing solutions that are now part of an overarching business strategy. For example, a new website (developed using a CoP approach to refocus the site on stakeholders) has generated 60% of enquiries for one strategic business unit (SBU) during 2012, with a high conversion rate to sales. No leads or sales were developed through this website for this SBU in previous years (Source 3). *"Since the KTP started in November 2010 our sales have risen from £11 million to £15 million and profits have also increased. I believe a significant part of this growth is a direct consequence of the work done on the Marketing Knowledge Transfer Programme with Newcastle Business School."* (Managing Director RE, Source 4).

In addition to the direct impact on RE that arose from this research, these approaches were transferred to two other KTPs. Firstly, TASS changed its approach to management of resources and improved service delivery. Further, both TASS and Modrec developed a new and integrated approach to strategic marketing planning and branding that has allowed diversification into new products and markets. For Modrec, *"The partnership has supported opportunity exploration and provided strategic recommendations to implement which will assist in the successful positioning and longevity of Modrec International, its brands and its products for the future."* (Commercial Director Modrec, Source 5).

2. Utilising a brand matrix and other branding tools

The RE project has enabled development of an integrated brand identity over their existing seven disparate trading brands (Source 3). Similarly, for TASS, *"The results of the research carried out during our KTP with Northumbria University have had a significant impact on TASS. We have developed new approaches to satisfying customer needs and enhanced the TASS Brand. As a result, we can now be sustainable without government and funding and have been able to employ new staff to take advantage of new market opportunities."* (Chief Executive Officer, TASS, Source 6).

Building upon underpinning brand related research in the non-profit sector a partnership with SCC helped them to develop a consistent set of brand values and integrated approach to internal and

external branding. *"The results of research carried out by NBS since 2009 have helped Sunderland City Council develop a consistent set of brand values which is an excellent fit with our stakeholder needs. The impact has resulted in record levels of employee trust and engagement despite having been through 3 years of unprecedented change: having these core values to anchor and guide us has been instrumental in this. A NBS PhD student is now working with us and has surveyed our employees, helping us to better understand the relationship between internal marketing communications, brand values, employee engagement and employee brand identity."* (Sunderland City Council, Source 7).

In order to disseminate the results of this branding research and share knowledge with a wider group of businesses the "Great Northeast Brands" partnership was established between the Business School and the North East Branch of the Chartered Institute of Marketing (CIM). This partnership highlights the role branding can play in business development in the region (Source 8 and 9). Since 2010, the School has hosted six CIM events focusing on Great North East Brands. *"Our partnership with Newcastle Business School at Northumbria University has helped to share the results of their research with local business practitioners and enabled those businesses to learn from examples of best practice from other organisations. Over 250 business managers have attended Chartered Institute of Marketing events hosted in partnership with Newcastle Business School and as a result they have been able to put examples of best practice into action in the businesses where they work or own, which in turn has resulted in a significant impact on their success."* (Chair of the North East Branch of the Chartered Institute of Marketing, Source 10).

3. Transferring knowledge between and among stakeholder communities using communities of practice

Drawing on specific communities of practice techniques with customers and suppliers, RE developed a strategic marketing process and a shift from a "sales" and "production" to a "market" orientated business that is a value-added provider of solutions. An immediate and tangible result is that sales margins have increased by 30% with an associated rise in profits. Integration with an engineering-based RE KTP managed by Northumbria University that focused on designing water-proof and fire-proof doors for ships helped create additional impact. Specifically new export sales, new markets and new products including £100,000 of new sales in Saudi Arabia in 2012 of the world's first fire-proof and water-proof doors for ships (Source 3). The researchers focused on marketing these unique new doors while the engineering KTP focused on designing and manufacturing them.

5. Sources to corroborate the impact

1. Contained in Final KTP Report for partnership 8171 approved by the Technology Strategy Board. Can be obtained from Regional KTP Advisor (Source 3)
2. Quote from 'Building for Growth: An SME Case Study' *Leading Edge*, Spring, 2010, pp.12. Available on request from Research and Business Services at Northumbria University
3. Regional KTP Advisor North East England and North Yorkshire can be contacted to corroborate claims.
4. Quote from 'Beacon of hope for North East Business' *The Journal 2020 Vision*, Wednesday June 11, 2012, pp.13. Available on request from Research and Business Services at Northumbria University.
5. Quote from 'Partnership sees Luggage Firm Expand' *The Journal*, October 21, 2011. Available on request from Research and Business Services at Northumbria University.
6. Taken from 'Sport and Education is a top combination', *The Journal*, February 13, 2013. pp. 28. Available on request from Research and Business Services at Northumbria University.
7. Testimonial from Director of Communication, Sunderland City Council.
8. More details of the Great Northeast Brands partnership can be found at: http://www.greatnortheastbrands.co.uk/about_gneb.htm
9. More details of the Great Northeast Brands partnership can be found at: 'Great North East Brands Business Briefing' developed by Leading Law Firm Dickinson Dees, available at <http://digitalpages.digitalissue.co.uk/?userpath=00000082/00008126/00080765/&page=10>
10. Testimonial from the Chair of the North East Brand of the CIM