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The Wellness Institute: To Brand or Not to Brand?

Sara Penner wrote this case solely to provide material for class discussion. The author does not intend to illustrate either effective or ineffective handling of a managerial situation. The author may have disguised certain names and other identifying information to protect confidentiality.

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In the summer of 2014, Casie Nishi, executive director of the Wellness Institute (the Institute), a non-profit ancillary operation of Seven Oaks General Hospital and Seven Oaks General Hospital Foundation (the Hospital) in Winnipeg, Manitoba, was faced with some potential opportunities to better understand the brand at this non-profit organization. Faced with the challenge of continuing to differentiate the Institute from traditional fitness facilities, creating consistent messaging at all touchpoints, allowing stakeholders to be ambassadors, and essentially lowering the risk of organizational failure due to a weak brand, she was considering undertaking a thoughtful and comprehensive internal and external branding exercise to improve and refresh the company’s brand. The Institute was in a financially stable position, but she wondered if its many stakeholders would support spending money on a branding exercise and investing resources in an effort to impact a broader community.

This branding exercise would take resources, which were always at a premium at non-profits. The Institute could afford the expense but would still have to justify the choice to use the existing resources in this manner. The decision would need to be made as to whether spending its resources in this way would provide a significant benefit and important outcome for the organization as it worked towards its mission and strategic priorities. Nishi had been the executive director for five years and was well-respected in her role. But, would she be able to justify this type of expense to her board of directors? What about her funders? Should she even be embarking on a branding strategy at all at a non-profit? And if she did, who would lead it?

THE WELLNESS INSTITUTE (the institute)

The Institute, at Seven Oaks General Hospital, was a certified medical fitness facility and an internationally recognized leader in chronic disease prevention and management. It opened in October 1996 with a mandate to provide the community with services that promoted health, prevented illness and disability, and restored wellness. The Institute worked in partnership with the Hospital to which it was physically attached. The partnership of having the health centre and hospital together created an important continuum of care—from prevention to recovery and rehabilitation. This relationship provided a number of benefits for the Institute. It safely improved and maintained the health and well-being of members, no matter their fitness level. It also collaborated with the hospital in applied research on chronic disease treatment and prevention.

The Institute had a reputation for innovation and excellence with programs based on best practices research and in 2005 won the Medical Fitness Association’s Distinguished Achievement Award. Some of the features of the Institute included an 80,000 square foot fitness facility with state-of-the-art equipment and classes; uniqueness in Canada as a self-sustaining department of an acute care hospital; disease management programs integrating prevention with acute care; health education seminars and outreach programs; children’s programming focused on developing interest in physical activity; and a multi-disciplinary clinic focused on workplace injury prevention and management. The vision of the Institute was to treat and prevent chronic illness and disease and to, overall, support people to lead healthy lifestyles. The Institute took great pride in being a continuum of care attached to the Hospital and felt that the partnership was the key to making real change in health promotion and disease prevention in its patients and community members.

The Institute’s diverse offerings were one of its strengths but also one of its challenges as it made it difficult to communicate with its community members about who it was and what it did. There was no consistent message about exactly who they were—were they a fitness facility, a rehab centre, a preventative health care facility, a health research facility, a chronic disease prevention centre, or a lifestyle facility with programs like cooking and sports programs? It was not clear to the staff or the stakeholders what the key messages were and different programs even used inconsistent logos. If someone asked a staff member what the main purpose of the Institute was, they would get diverse answers depending on whom they asked. This was a concern for many reasons including membership recruitment and retention, staff training and retention, volunteer and donor recruitment, and most importantly, funding opportunities—people needed to fully understand why they would want to support this organization.

The staff at the Institute consisted of 115 people but none with the training, experience, or time to conduct a branding strategy. If Nishi proceeded with this plan, she would also need to consider enlisting the qualified services of a consulting firm. Working with the Institute’s leadership team, the consulting firm would conduct market research with members, influencers, community members, and employees to create an internal and external brand strategy and aid in its implementation.

Nishi decided to start by pulling together her leadership team which consisted of herself as well as representatives from the Foundation, Seven Oaks General Hospital, the Chronic Disease Innovation Centre as well as the Wellness Institute management and communications teams.

The management team was interested in the potential value of conducting a branding strategy though they questioned whether this was a “refresh” or a “rebrand” and how much work would really be needed to conduct this exercise. Their discussion involved being interested in determining some outcomes such as confirming the brand values of its staff and community and how they aligned, clarifying and refreshing their brand, and communicating this first with their internal staff and then with their external constituents. They expected that some outcomes would be increased staff satisfaction and retention, external awareness and understanding of the value of the organization, and overall improved organizational and employee performance. Ultimately, they wanted to determine their competitive advantage and unique value proposition.

Nishi decided the next step was to conduct and compile some market research to learn what current constituents thought about the Institute. What was its current brand position? She conducted a community survey of 401 people in the surrounding geographic area. This involved telephone interviews with a random selection of people who lived in the area. Interestingly, most of the respondents were not Institute members but 29 per cent had participated in an Institute program or service at some point. Overall impressions were positive—fitness, health, and rehabilitation were words that were top of mind. The main barrier for becoming a member was cost—85 per cent of respondents were currently members at other facilities (see Exhibit 1).

Nishi then conducted a survey with her staff at the Institute and 56 staff members filled out the computerized survey. Results showed staff were engaged and would recommend the Institute to friends as a place to work; 64 per cent said it would take a lot to get them to leave, and 62 per cent said that, given the opportunity, they would tell others great things about working at the Institute (see Exhibit 2).

Lastly, Nishi drew upon the Institute’s membership data and survey. Membership grew by 8.1 per cent from 2009–2011, then dropped by 7.0 per cent in 2011–12, and remained stable since then. The majority of members were aged 60 and over. A survey was emailed to 1,858 current members; 309 completed the survey. The majority of respondents were female, between 55 and 64 years of age, and 29 per cent of respondents had been members for over 10 years. Overall responses were positive with a focus on a great facility and equipment, fitness and healthy lifestyle, and rehabilitation services (see Exhibit 3).

Nishi also spoke with her staff and managers of different departments; a common theme that emerged was that people loved what they did and thought it was important, but they struggled with articulating overall what the Institute did and what its value to the community was. For example, because different logos were used for different programs, some participants did not even know that the program they took part in was part of the Institute. Staff wanted to “sing from the same song sheet,” but no one knew what exactly should be on that song sheet. The work of the Institute was diverse and had continued to grow over the years; however, there might be a need to better understand what the organization’s overall brand strategy was and should be.

Other Service Providers

The Institute shared access to the limited funding opportunities with all the non-profits in the geographic area who were soliciting funds for their work. The geographic area included Manitoba and Saskatchewan where there were 17,034 voluntary and non-profit organizations, which was 11 per cent of the national total. Non-profits with sports and recreation as their primary activity made up 21 per cent of the non-profits.[[1]](#footnote-1)

The Institute had 6,300 members and was unique in being the only non-profit wellness centre attached to a hospital, but it still needed to focus on its customer experience and unique value proposition in a crowded health and fitness market. The market included, but was not limited to, The Rady Jewish Community Centre, a non-profit that provided fitness and wellness programs for all stages of life in its community and had a membership of 5,000 people.[[2]](#footnote-2) Another non-profit was the YMCA with four branches in Winnipeg. The YMCA, with a membership of 35,000, was a fitness and drop-in facility where members could participate in physical activities with the goal of improving lives and helping them achieve their goals.[[3]](#footnote-3)

The Institute also needed to differentiate itself from commercial fitness facilities in its geographic area. These included Goodlife Fitness, Snap Fitness, Shapes Fitness, the Winnipeg Winter Club, and local community centres.

Role of Branding in Non-profits

A brand was an organization’s identity and needed to include what an organization stood for and how that connected to its leadership, employees, customers, and stakeholders.[[4]](#footnote-4) The brand should be so much more than just functional benefits and should deliver on internal organizational values that provided a basis for a real relationship.[[5]](#footnote-5)

Branding in both for-profits and non-profits could be defined as “an intangible asset and identifier that imparts information and creates perceptions and emotions in its audience.”[[6]](#footnote-6) Relationships are a key component to successful non-profit organizations.[[7]](#footnote-7) Not surprisingly, the development of a strong brand was important for a non-profit. This notion was supported by research showing that charity managers are clearly committed to the concept of putting the brand at the heart of the organization.[[8]](#footnote-8)

The tangible value a brand can hold had also been proven in the non-profit world. Habitat for Humanity was able to put a value on its brand—$1.8 billion to be exact. It was able to use this brand valuation to help leverage significant and meaningful partnerships with corporations, foundations, and individual donors.[[9]](#footnote-9)

Brand image played an important role in shaping donors’ and prospects’ attitudes toward a charity. The brand also impacted performance whereby a positive association between the dimensions of non-profit brand orientation and non-profit organizational performance had been shown.[[10]](#footnote-10) This had an impact on attitudes and organizational performance and also on donor intentions whereby a non-profit brand image correlated strongly with the intention to give time or money.[[11]](#footnote-11)

Branding could be a powerful tool for non-profits and, when used properly, a strategic device that built accountability for the non-profit and could also complement both the internal and external context in which the non-profit resided. It was important to note that non-profit brand personalities were structured differently from for-profit personalities. Non-profits had a high proportion of initial, assumed personality traits—integrity, sophistication, ruggedness, and nurturance—until proven otherwise. From the start of the process, non-profits were at a different place from for-profits in their relationships with their stakeholders.

Non-profits differed from for-profits in five major areas: human resources, their use of collaborative rather than competitive approaches, the complexity of customers and stakeholders, the importance placed on mission, and the organizational culture.[[12]](#footnote-12) Non-profits could be more complex to manage as they had a broader spectrum of stakeholders and brand audiences. They had a disconnect between the purchaser and provider of the organization’s products or services, which made it difficult to match the value to the purchaser (donor) and meant the purchaser must rely solely on trust that the organization was doing what it said it would to carry out its mission.

Though both for-profit and non-profit organizations could run their businesses based on a mission, the role of mission for a non-profit was substantially more important. The mission was ultimately the product or service they were providing—an organizational boundary built on trust. As well, this mission provided the intrinsic benefits seen in the organizational culture, which drove much of the motivation at non-profits.

One last key difference between for-profits and non-profits was the use of volunteers at non-profits. Volunteers, though external in the sense that they were not paid staff, still had a key internal role in the implementation of mission and day-to-day business. These volunteers, and commonly the staff as well, were often also donors to these organizations, so the creation of internal ambassadors also spilled over into the non-profit’s external ambassadors.

Internal branding created awareness and consistency in the organization, created and sustained a positive culture, was a driver of organizational change, and could help attract and retain the best talent. Four key mechanisms for the success of internal branding were communications, human resources practices, leadership, and personal factors. Communicating the internal brand involved defining the internal brand and then disseminating that information. It needed to be a participative process where internal and external values were explored, defined, and aligned. Human resources involved the hiring of new employees, the training of new and existing employees, and the dynamics among staff. Once the internal brand was established, organizations could hire around these values. Leaders in the organization had great influence in creating, endorsing, performing, and perpetuating the motivational drive for meaning when building an internal brand.[[13]](#footnote-13)

Overall, both non-profits and for-profits needed branding to leverage their business, but one difference between the two was that non-profit brands needed to be managed with integrity, democracy, and affinity in a way that anchored their brand to the mission of the organization. Brand authenticity was also important as was the need to understand credibility, integrity, and symbolism to measure perceived brand authenticity. A few essential components that could be used as indicators for a successful branding process at a non-profit included two-way communication, the need to involve staff and stakeholders in the process, and the role of a transformational leader.

WHAT’s NEXT?

Nishi had the sense from talking with her staff members and reviewing her market research that the Institute’s target market did not have a full awareness of who the Institute was and the many different offerings it had. Now her decision remained. Was there enough value in having the Institute take part in a branding exercise? If yes, how would she get her stakeholders on board? And who should conduct this branding exercise?

Exhibit 1: Community Survey

|  |  |
| --- | --- |
| When you think about the Wellness Institute, what first comes to mind? | |
| **First Impressions** | **Percentage of Respondents** |
| Exercise/Fitness | 39 |
| Being healthy/Good for health | 32 |
| Rehab/Physiotherapy | 16 |
| Gym | 14 |
| Great facility | 5 |
| Diet/Nutrition | 5 |
| I'm a member/Used in past | 5 |
| Cardio health/Heart health | 5 |
| For older people | 4 |
| Expensive | 4 |
| Good programs | 4 |
| Swimming pool | 3 |
| Track | 3 |
| Word of mouth/Heard about it from others | 3 |
| Part of the Seven Oaks Hospital | 2 |
| Community place | 2 |
| Other | 2 |
| Don't know/No answer | 8 |

Exhibit 1: Community Survey (CONTINUED)

At which facility are you currently a member?

|  |  |
| --- | --- |
| **Facility Name** | **Percentage of Respondents** |
| GoodLife | 26 |
| YMCA | 21 |
| Shapes | 11 |
| Through employer/work facility | 11 |
| SNAP Fitness | 5 |
| City facility | 5 |
| Personal trainer | 5 |
| Other | 21 |

Source: Telephone survey with the general public who lived within the Wellness Institute’s catchment (N=401). Interviews conducted over a 10-day period from October 9–20, 2013.

Exhibit 2: Email survey conducted with Wellness Institute staff (N=56).

|  |  |
| --- | --- |
| **Question** | **Agree/Strongly Agree** |
| I would not hesitate to recommend the WI to a friend seeking employment. | 84% |
| Given the opportunity, I tell others great things about working here. | 62% |
| It would take a lot to get me to leave WI [Wellness Institute]. | 64% |
| This organization inspires me to do my best work. | 61% |
| My future career opportunities here look good. | 60% |
| This is a socially and environmentally responsible organization. | 75% |
| This organization is considered one of the best places to work for someone with my skills/experience. | 82% |
| I get a sense of accomplishment from my work. | 63% |
| I truly enjoy my day-to-day work tasks. | 66% |

Source: Survey conducted on November 19, 2013.

Exhibit 3: Member survey (N=309)

What would you change?

|  |  |
| --- | --- |
| **Item** | **Percentage of Respondents** |
| Hours of operation | 12 |
| General maintenance and cleaning | 12 |
| Program schedules | 14 |

What makes you stay a member?

|  |  |
| --- | --- |
| **Item** | **Percentage of Respondents** |
| Location and convenience | 10 |
| Complete health aspects | 11 |
| Excellent overall experience | 16 |

Source: Survey conducted online November 2013.

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