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**Crafting the forever now: Corporate heritage brand  
innovation at John Lewis Partnership**

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# Corporate Heritage Brand Innovation Strategy of John Lewis Partnership

## ABSTRACT

Being innovative and adaptive to changing business environment fosters and sustains the success of corporations with heritage. Our paper addresses the insights of the innovation strategy of John Lewis Partnership (JLP) as a corporate heritage brand and reveals that strategic innovation the key strand of JLP's brand heritage which has contributed to the continuous success of JLP for over a century. Developed from the S-Curve innovation theory, we have developed a corporate heritage brand innovation process framework with four stages: invention, sustainability, expansion and extension.

Our research confirms that S-curve innovation theory can be applied to scrutinise organizational innovation of corporations with heritage brand.

## 1 INTRODUCTION

Research on innovation can be inter-disciplinary and innovation phenomenon can be studied from social, technological or organisational perspectives. In this study, we focus on the innovation trait of corporate heritage brand through the lens of organisational innovation. An innovation can be the adoption of a new product or service, a new production process technology, a new structure or administrative system, or a new plan or program pertaining to the adopting corporation and organisational members (Damanpour, 1991; Daft, 1982; Damanpour & Evan, 1984; Zaltman, Duncan, & Holbek, 1973). This definition is sufficiently broad to include different types of innovations pertaining to all parts of organizations and all aspects of their operation.

The adoption of innovation is generally intended to contribute to the performance or effectiveness of the adopting corporation. Innovation is a means of changing an organization, whether as a response to changes in its internal or external environment or as a pre-emptive action taken to influence an environment. As even the most stable environments change (Appiah & Sarpong, 2015 ;Hage, 1980), organizations adopt innovations continually over time. Hence, organizational innovativeness is more accurately represented when multiple rather than single innovations are considered (Damanpour, 1991).

Corporations with heritage brands are normally successful due to their embedded continuous innovative tradition and multiple innovations adopted over the time. To reflect the continuity of innovation adoption over time for these corporations, we have identified and revealed the applicability of S – Curve

innovation theory to explain this phenomenon based on our John Lewis Partnership case study.

## **2 S – CURVE THEORY AND ORGANISATIONAL INNOVATION**

In the innovation literature, prior research suggests that innovation normally evolves through an initial period of slow growth, followed by one of fast growth, and culminates in a plateau in terms of performance. When connived against time, the performance resembles an S curve. Support for this phenomenon comes primarily from the work of Foster (1986), Sahal (1981), and Utterback (1994a). Sood and Tellis (2005) who name this phenomenon the innovation life cycle because it explains the occurrences of three major stages of the S curve: introduction, growth, and maturity (see Abernathy and Utterback, 1978; Utterback, 1994a) from the marketing perspective.

*Introduction stage.* A new adoption of innovation makes slow progress in performance during the early phase of its product life cycle due to the fact that the innovation is new to the market and certain basic but important bottlenecks must be overcome before the newly adopted innovation can be translated into practical and meaningful improvements in performance.

*Growth stage.* This stage usually begins with the emergence of a dominant standard around which product characteristics and consumer preferences coalesce (Utterback, 1974a). That consensus stimulates research on the new platform leading to improvement in terms of performance. Furthermore, publicity of the standardization draws a large number of researchers to study the new

platform. Their cumulative and interactive efforts also lead to rapid increases in performance (Sood and Tellis, 2005).

*Maturity stage.* After a period of rapid improvement in performance, the new technology reaches a period of maturity after which progress occurs slowly or reaches a ceiling (see Brown, 1992; Chandy and Tellis, 2000; Foster, 1986; Utterback, 1994b). Utterback (1994b) and Adner and Levinthal (2002) suggest that as a market ages, the focus of innovation shifts from product to process innovation. As such, performance increases are few and modest, leading to its maturity. At this stage, the only possible way to maintain the pace of progress is through radical system redefinition-that is, a move to a new innovative platform.

Innovation plays an important role in building the identity for any corporate brand especially those brands with heritage. It could be considered as the main aspect that affects any corporation. Balmer & Chen (2016) focused on their TRT case study about the importance of brand innovation which maintains heritage brand sustainability. Furthermore, Balmer (2011) explains that heritage means transformation (Conversion), re-interpretation, and that it is subject to change and development. Heritage is not a term which means past or history; it is linked with continuity, perseverance and sustains the identity (Macdonald, 2006). Several scholar highlight the innovation subject over the branding topic. They were studying the importance of innovation toward the products and the service development in promoting the brand, as well as showing how innovation is powerful and important to keep the brand up-to-date (Gemser and Leenders, 2001; Aaker, 2004; Berenson and Mohr-Jackson, 1994; Beverland, 2005;

Christensen and Raynor, 2003; Crawford and Di Benedetto, 2003; Keller, 2003; Beverland et al., 2010; Aaker, 2007; Weerawardena et al., 2006).

This paper studies one of the most eminent retail corporations in the UK - The JLP (JLP), a British employee-owned company with over 150 years history which operates John Lewis department stores, Waitrose supermarkets, its banking and financial services, and other retail-related activities. Studying from this leading retailing corporate heritage brand in the UK, this paper intends to develop the heritage brand innovation process framework which offers some theoretical underpinning and insights of innovation strategy for corporate brands with heritage.

### **3 CORPORATE HERITAGE BRAND THEORY**

Corporate heritage brand is a new concept that was introduced in the mid 2000s. Balmer and other scholars explored this definition and introduced the first study on the British monarchy which is considered as a corporate heritage brand (Balmer et al., 2006). In 2007, Urde, Grayser and Balmer developed their first approach and introduced several phenomena of the heritage brand. Urde and others described that longevity is important to reflect heritage, while antiquity alone is not enough to meet heritage brand criteria. They suggest that the heritage brand needs more focus and attention from brand management because it is unique in terms of the value and the experience it carries with it (Urde et al., 2007).

The concept of heritage as an old brand from the stakeholders' point view is highlighted in several past papers. This is because history is an essential element to define the identity of any corporation (Balmer and Greyser, 2006). Husdon (2011) explains as an example that the history of Cunard ships gave the heritage identity for this brand; since customers were aware of its heritage and because the brand has endured over more than a century, this has gained significant trust and loyalty from their customers.

By reviewing Urde and other scholars in how they explain the phenomenon of the corporate heritage brand, it is clear that heritage brands must have a “track record” which covers a positive history in serving the stakeholders. Also, committed to delivering “Core values”, heritage brand must have a “Symbol” to identify the heritage brand. Finally, corporate heritage brand is present through a long experience, which keeps the heritage brand sustained during the time “longevity” and shows the heritage brand continuity (Urde et al., 2007). In other words, corporate heritage brand as Balmer explains reflects the history that stakeholders communicate about the corporate brand (Balmer, 2011). Corporate heritage brands tell a story about the brand and show their history. It is not, as others might consider, that corporate heritage and brand heritage are linked to cultural heritage. (Hakala et al., 2011; Ko and Lee, 2011; Burghausen and Balmer, 2014)

History becomes a communication channel to external and internal stakeholders within the corporate organisation to explain their promise and to show the strength of their heritage brand (Blombačk and Brunninge, 2009). Many scholars identify heritage brand with culture. Balmer and others believe that

culture and a country's history might affect the corporate heritage brand (Balmer et al., 2006). For example the British Royal Family name originated from a German name called (Gotha and Saxe-Coburg), which was rebranded to Windsor. This shows how the heritage brand is in relation to culture in some way (Balmer et al., 2006). Hakala et al. (2011) suggest that brand heritage is a multidimensional concept that could cover history, continuity, reliability, values and symbols.

Although many brands have heritage, most of them cannot be considered as a heritage brand. Corporate heritage brand is "a dimension of a brand's identity found in its track record, longevity, core values, use of symbols and particularly in an organisational belief that its history is important" as defined by Urde et al. (2007, p. 4). Balmer (2013) introduced four key characteristics for the corporate heritage brand, these characteristics represent the notion of the corporate heritage brand in that they are:

- 1- The Past which represented the brand story, the present reflected their innovation and sustainability to continue the business in the meantime and the Prospective future which will represent their progress at this moment (Balmer, 2011).
- 2- Sustainability in different business environments and situation, "Stable reference points in a changing world" (Balmer, 2011).
- 3- The corporate heritage brand always correlated to the place (Balmer, 2011).
- 4- Worthy in attracting the positive public emotions (Balmer, 2011).

Based on these four characteristics which Balmer (2013) developed and justified as key aspects of any corporate heritage brand, some scholar's reflect all academic understanding and clarify that heritage brand must represent the past, the present and the future (Urde and Grayser, 2015; Balmer and Chen, 2016). Therefore, our study analyses and focuses on the innovative changes of JLP since its establishment in 1864.

#### **4 METHODOLOGY**

The study followed Yin's (1994) approach on the advantage of using single case study; this paper considered JLP as a significant single case study for one of the main heritage retailers in Britain. A qualitative approach was used in collecting the data; 14 in-depth recorded interviews were held in John Lewis premises with their directors, senior manager, managers, employees (partners), retired partners, as well as a few of John Lewis' loyal customers who were visiting their heritage centre in Cookham (Palmer and Gallagher, 2007). All participants of the research interview questions were knowledgeable about John Lewis heritage brand and organisation which helped the researchers to get the right feedback and information during the interviews (See Table 1).

Case Ref.	Interviewees Role	Interview length (min)	Interview date	Relation with John Lewis (Year)
MA1	Retired Manager / John Lewis Optical department	33 min	15.Oct.16	Over 35 Years
CU1	Loyal customer recommended by JL management	29 min	15.Oct.16	Over 35 Years
CU2	Loyal customer recommended by JL management	30min	15.Oct.16	Over 35 Years
EM1	Junior Employee / Archivist	37 min	20.Oct.16	Over 2 Years
MA2	Senior Manager / Administrative	31 min	20.Oct.16	Over 6 Years
MA3	Manager / Corporate communication	44 min	20.Oct.16	Over 23 Years
MA4	Director / Business development	66 min	24.Oct.16	Over 39 Years
EM2	Retired Employee / Reading Store	45 min	29.Oct.16	Over 50 Years
CU3	Loyal customer recommended by JL management	29 min	02.Nov.16	Over 40 Years
MA5	Retired Director / Factory Engineer	36 min	02.Nov.16	Over 40 Years
MA6	Retired Manager /Head Office	28 min	02.Nov.16	Over 40 Years
CU4	Loyal customer recommended by JL management	26 min	05.Nov.16	Over 60 Years
CU5	Loyal customer recommended by JL management	35 min	09.Nov.16	Over 40 Years
CU6	Loyal customer recommended by JL management	29 min	09.Nov.16	Over 11 Years

Table1: In-depth interview list

We used several documentary sources of information and memoirs about JLP as a heritage business as secondary data which helped to build a large vision for their sustainability and innovation through visiting 5 main locations in the United Kingdom. The results of this observation summarise the track records of John Lewis' success within the time period (see Figure1).

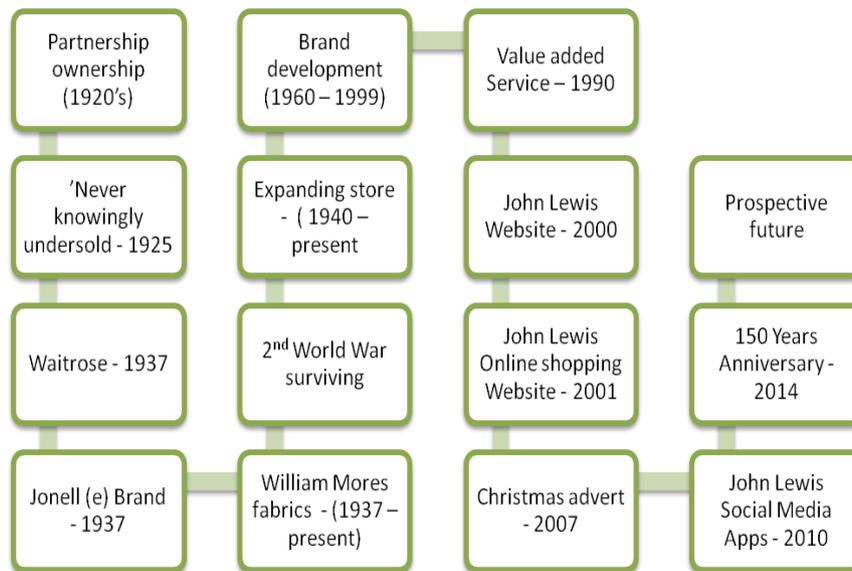


Figure1: John Lewis track records

For the privacy of the interviews John Lewis heritage centre dedicated a private room for the researcher to talk with the study participants, the average duration of the interviews were 55 minutes.

All the interviews took place in their premises in Cookham (Malhotra et al., 2000). The interviews lasted between 26 -66 minutes. Away from the participants' views and beliefs in the questions asked, the participants were encouraged to express and talk more about corporate heritage brand identity factors. After 2 months with full support from the John Lewis Heritage Centre management team, the interviews were completed and the data of the qualitative interviews were uploaded to the NVIVO.

To analyse each interview transcript and highlight the main segments and themes, we transcribed all the interview data within a month and started to listen to the audio-recorded files several times to understand deeply the effects of each

conversation on this research study. The interviews were divided into two categories: John Lewis employee interviews and John Lewis retired Partners and loyal customer interviews. To organise and control the qualitative data analysis process, the researchers decided to analyse the content of the collected interviews under four categories to cover the key aspects of John Lewis success as a heritage retail business. These categories are as follows: Invention stage (Ownership and organisation type), Sustainability stage (The Second World War), Expansion stage (Partnership development and the Extension stage (Technology revolution). The figure below (Figure 2) shows the research key elements and the themes on this study.



Figure 2: Research theoretical framework

## 5 RESEARCH FINDINGS AND DISCUSSION

This paper demonstrates the key stages that revolutionised the JLP business, the stages were categories as a four step process: The invention stage which covers the Partnership and ownership change phase, the Sustainability stage reflecting business stability during the 2<sup>nd</sup> World War, the Expansion stage

demonstrating JLP development in adding the food business to the Partnership (Waitrose) and also the purchase of 15 stores from the Selfridge group and adding them to the Partnership, and finally the Extension stage which presents John Lewis e-commerce innovation and social media development at the present time.

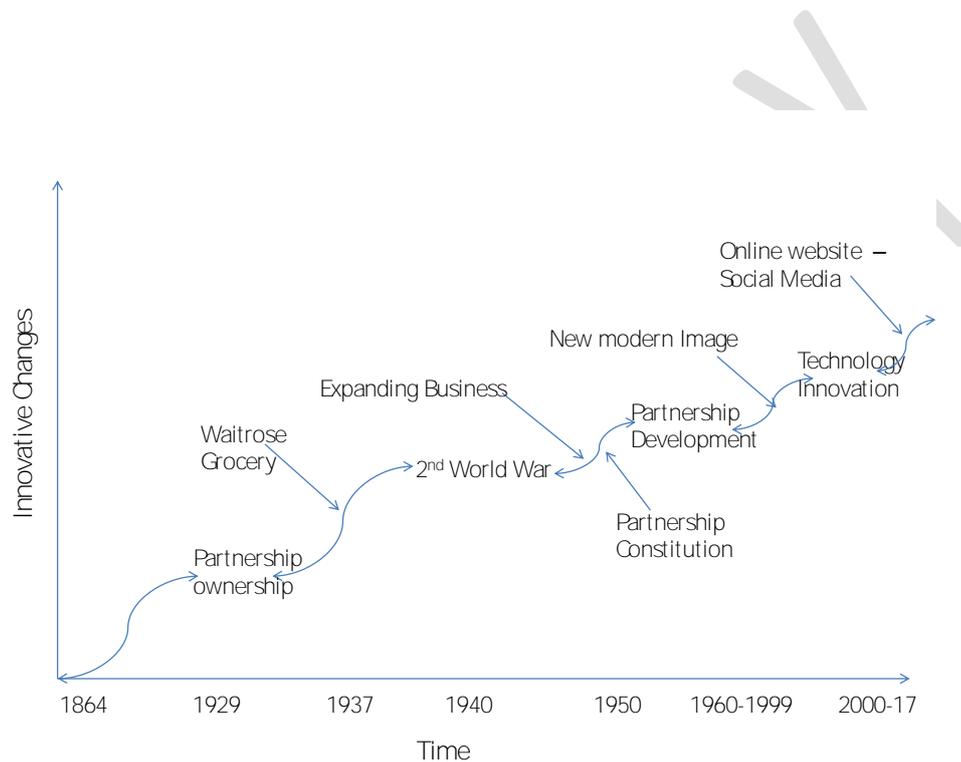


Figure 3: John Lewis Innovative Changes

### 5.1 Invention stage (Ownership and organisation type)

#### **John Lewis story**

John Lewis was an established family business store owned by Mr. John Lewis (Senior), which first opened in 1864 at Oxford Street London. The John Lewis store specialised in selling fabrics and several types of goods. A robust strategy

in managing this business increased its profits and assets; the experience that the owner possessed led him to build a solid retail business. One of JLP directors explained their identity in our meeting with him at the John Lewis heritage centre as follows: “John Lewis is an iconic brand mainly because of its longevity, how it has progressed since starting in 1864 and how the brand is well represented within the main cities and towns in the UK” (MA4). These words reflect the Omnipotentiality (multiple time stratum) of a Partnership that has been sustained since 1864, as several scholars have agreed (Urde et al., 2007; Balmer, 2011; Balmer and Chen, 2017). John Lewis Senior engaged both of his sons in his business management from a young age and started to hand them some management roles. The new generation started to create new ideas and thoughts on how to innovate their father’s business, whilst maintaining their authentic family brand name in order to reflect the years of experience in dealing with the retail market.

John Lewis’ identity was described by one of their interviewed administration managers as follows: “The name John Lewis goes back to the man who started the business in 1864. As John Lewis, Spedan was keen that his father’s name was represented in our identity going forward under the JLP name”(MA2). The JLP as a corporate heritage organisation is showing their authenticity in the past, as well their ability to change regarding the present market demand. This maintains the Partners’ affinities with the corporation to sustain their business in the future (Balmer, 2011). A JLP heritage manager explained John Lewis business during her presentation to Brunel business school team by following Balmer 3 A’s principles as: “*Preserving our past, engaging our present, and inspiring our future*”.

## **John Spedan Lewis and the creation of the JLP**

In 1905, John Lewis bought the Peter Jones shop in London and handed over some of the management responsibilities of this store to his elder son Mr. John Spedan Lewis (JSL). In 1914 JSL received full authority to manage this shop. JSL improved this business to become a successful retail store rival against other stores in London. JSL Around this time, HE noticed that the Lewis family earned double the salary compared to other employees working at their stores. He thought that this was not fair in terms of the effort made by all employees. He believed that equality between owners and employees was important to protect and sustain this business. After John Lewis Senior's death in 1928, JSL became responsible for handling management roles in his family's main store in Oxford Street 'John Lewis' (Glancey, 2014). The success of the democratic management method which JSL implemented in the Peter Jones store encouraged him to implement it again in all his family business. His beliefs led him to take the initiative of transferring the company profit to the employees by signing the First Trust Settlement in 1929 (Kennedy, 2000). Sharing all the company's profits between employees was an innovative decision for that time. A John Lewis senior manager said about Partner responsibility " all employees are Prtners because they own the business that's why we continue and we keep going I think when you have shareholders it's easy to switch off and turn the plug and shut the business down as shown in 'BHS' or to just to sell it off, because we own it the business is responsible for us as well we have responsibility for it"(MA2). This agreement considerS all the store employees as Partners in sharing profits and

gives the Partners (employees) the rights and freedom to suggest and share their ideas to develop the business.

Several loyal customers agree that John Lewis is an iconic brand, they are emotionally linked to this brand since their childhood, a customer talked to us about her story with John Lewis saying that: "Back when I was 5-6 years old (53 years ago) my parents would spend all day Saturday in the Southampton John Lewis store then called Tyrrell & Green. I would spend the day going up and down in the lift with a wonderful old lady who was the lift attendant. She would be sitting on her high stool and would let me press the buttons whilst she sang out the floors and their contents. What a wonderful memory"(CU5).

Based on the Partnership yearly net profit a percentage is distributed to all Partners (employees) according to their annual income. This movement of changing the ownership and the organisation type became a distinctive trait for this business which is considered an institution constancy trait, as described by Balmer (2011).

### **The Partnership Constitution**

JLP delivered to the business a "Constitution" which reflected his Partnership principles: the Knowledge, the Profit and the Power, that is still valid today (Figure 4).

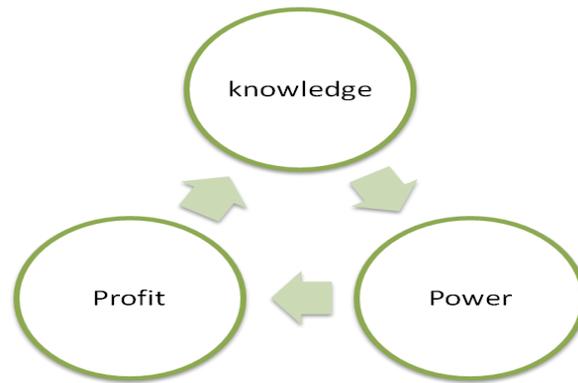


Figure 4: JL Partnership principles

JL Partnership explains knowledge as an important principle of sharing all information between Partners to develop their skills and abilities on serving the customer in the right manner.

His Constitution gives the ability to share the responsibilities of power within the Partnership through three governing authorities. As Balmer (2011) explains, the ability to change for better and meet the stakeholders' needs in any corporate heritage organisation will lead to building trust between all the organisation stakeholders, which is also considered a ceaseless multigenerational stakeholder utility trait for any corporate organisation. JSL created three groups of management authorities to share the power of managing the Partnership: the Partnership Council, the Partnership Board and the Chairman. A Retired Partner reflected his idea about the JLP Constitution as "We have to look to ourselves, how to make each individual more productive, we are exploring now something called the 4P's which is an in-house mission, which is Performance, Productivity, Pay and Progression. All of us are looking to see what we can do as Partners to keep our business successful, but 20 years ago it was very different because the whole retailing environment was really very different. (The happiness of every

Partner is the heart of the business) and this was written in the Constitution"(MA1). These three power groups communicate to make the right decisions for the organisation as a group responsibility. This type of decision making gives their Partnership a unique trait in terms of how they are managing their business, which Balmer defines as unremitting management tenacity traits (Balmer, 2011).

JSL believed that within the Partnership, kindness is better than justice. In one of his memorable aphorisms he said "Partnership is justice. Better than justice, it is kindness", Kindness leads for building strong trust between stakeholders which also will reflect positively to the business (Kennedy, 2000). The profit of the Partnership is important for trading operation continuity and to sustain the commercial business vitality. JLS's Constitution enables all Partners to share the corporation profits each year based on their annual income. He gave the Partners the right to invest the profits of the Partnership on any other activities that would generate extra profits or benefits for the Partnership, such as owning several shops in South Africa or setting up a private club in Cookham.

The JLP Constitution was founded in the past to serve the present time and protect the future as a JLP interviewed Partner (a retail textile technical employee) said: "As a business, we have a constitution which is a document that tells us what we can do and reminds us that we are continually guided by our heritage. It has been updated over the years and although it hasn't recently been updated, it is a document that we have to stick to" (MA5). This gave the JLP organisation an authentic style which can rarely be found in any other organisation.

The above three principles Knowledge, Profit, and Power are the key factors that the JLP considers in the running of their business today, and which will continue to be valid in the future (Lewis, 1948). JSL explains the purpose of the Partnership in one of his texts: “The Partnership’s supreme purpose is to secure the fairest possible sharing by all its members of the advantages of ownership – gain, knowledge and power; that is to say, their happiness in the broad sense of that word so far as happiness depends upon gainful occupation. No one Partnership can hope to suit everyone and the JLP does not attempt to do so. It is intended only for those who, to be really happy, need to feel they are giving good service to the general community and whom its characters and methods suit well enough in all other ways.”(Kennedy, 2000). These principles are considered as the Partnership mission as their Heritage Centre Manager confirms during our interview: “I think it incredibly important that the mission and the vision remain the same. Our mission is our principle aim: the happiness of the Partners through worthwhile employment in a successful business”(MA4). JLP is a corporate heritage organisation that aims to deliver happiness to all members.

### **Partnership facts and progress**

The Second Trust Settlement of the Partnership was signed in 1950, which integrates all John Lewis family businesses into one Partnership organisation called the JLP. This Partnership is considered to be the first innovated type of organisation that transferred the business ownership to its employees (Lewis, 1954). The JLP continued with the same aspects that the founder JSL set up for the Partnership in 1929. Their democratic Partnership management keeps the

Partnership more coherent. JLP improved over time; their organisation reflected the unique ownership idea, their present shows their development to be one of the main innovative retailers in the market, and the future will be to continue developing the Partnership and sustain it. This organisation also has an Omnitemporality trait; the multiple time stratum (past, present and future) reflecting their success, innovation, and continuity. The following scholars support the multiple time stratum as an important trait for any corporate heritage brand (Urde et al., 2007, Balmer & Chen, 2017, Urde & Grayser, 2015). The JLP retail manager interviewed confirmed that: “Using It’s Our Business 2028 because this shows a hundred years of contribution to the Partnership. That why we are looking to the future, 2028, to reflect our contribution”(MA3). This statement reflects how JLP expects to demonstrate their achievement in the future.

The multiple generations that have joined the Partnership follow the Partnership Constitution. The innovative ideas they add to the Partnership keeps the JLP organisation improving in terms of delivering ideas and new services to customers, until today. In addition, they sustain the business which has been founded for over 150 years. The JLP achieved Balmer’s corporate heritage brand trait that requests external/internal tri-generational hereditary (Balmer, 2011), which is recognised nowadays by a minimum of three generations visiting and shopping from JLP stores.

The JLP administration manager explains during our interview with her their successful business story by saying “I am very keen to impress upon you that the story our past is a past of innovation and change and I am keen that they see that as inspiration for our present and future, assortment, and honesty”(MA2). This

highlights the importance of John Lewis' innovative ownership story, which is considered to be a key stage of the JLP heritage innovation cycle.

### 5.2 Sustainability stage (The Second World War)

The Second World War left a historical imprint on the JLP' sustainability. The Partnership had the biggest levels of acquisition during the war. Their strategic mission and vision lead John Lewis to carefully consider how to expand their business at this crucial stage, as well as how to benefit from other retail business' crises. The wartime was tough for all fields such as economics, politics, culture and environment, but enduring this period is considered a brand trait in terms of the augmented role of identities and ceaseless multigenerational stakeholder utility.

#### ***John Lewis during the war***

In September 1940, The Partnership completely lost their main store on Oxford Street due to the bombing. Their mission to provide the best service to their customers even in tough times and their vision to sustain themselves as a retail business led John Lewis to continue serving their customers and the community. The store's general manager wrote a letter to inform the Partnership customers about what happened to their store on Oxford Street. He said in his message: "all woodwork and everything else inflammable has been destroyed completely...we shall be able to deal in the regular way with all orders by post addressed to us at Oxford Street. The staff of our Furnishing Departments will wait upon customers in their own homes up to thirty miles from London and at greater distances if the

order is substantial”(Glancey, 2014). This letter clearly demonstrates the integrity and commitment between the organisation and the stakeholders.

JSL endeavoured to find vacancies within the Partnership for all Partners who lost their jobs at the Oxford Street store due to the damage. He said that: "If the Partnership had not been organised as it was, he doubted whether the business could have stood the strain of being so heavily damaged" (Kennedy, 2000). The message that JLP delivered to all customers reflects the Partnership's commitment to sustain their business and confirms their promise to deliver services to all customers on time.

In wartime John Lewis opened their stores' basements to the community as a bunker to protect civilians from bombs or attacks. This is a clear indication of how JLP identifies themselves as a significant participant in their local communities and culture. JLP did not identify their organisation only as a retailer but also as a part of the British social identity and the British culture.

The responsibilities of multigenerational stakeholders to meet the needs of the British society during the War were the main focus for the Partnership. The business profit dropped to more than half in all the stores, prices increased and the availability of stock decreased. John Lewis' message was clearly transparent with all stakeholders. The general manager asked for all stakeholder support and engagement with the Partnership activities. He said clearly: "We shall be, of course, very grateful if customers will help us through these difficulties by giving us any business that they can. We shall be able to deal in the regular way with all orders ... It will be a real help also if account –customers will let us have their

cheques as promptly as they can conveniently”(Glancey, 2014). This reflects the affinity that the Partnership built with their stakeholders, which reflects the trust between them.

### ***Second World War business achievements for John Lewis***

The success strategy during the earlier years and before the war began gave the Partnership the strength to improve the business and benefit from any available opportunity. The Selfridge group was struggling during the Second World War in sustaining their business. JSL believed in supporting all business retailers and built a good business environment in the market, so he decided to undertake the biggest acquisition movement and bought 16 department stores from the Selfridge group and added them to the Partnership, as the JLP Heritage Centre Manager announced during our interview with her.

This decision is considered as one of the main development strategies that the Partnership took during the tough time in the business. In 1940, the Partnership lost their main store and several other small shops around the country due to the bombing. Moreover, the critical financial situation in the entire country caused a loss in profit, as reflected on the lack of Partnership bonus for the first time since the Partnership was created in 1929 (JLP, 1953).

JLP learned how to deal with any critical situation through engaging their stakeholders in their situation and sharing with them the responsibilities and the ideas to develop their organisation. The losses in the Second World War were a motivation to take the business forward to the next stage of progress. The JLP business size increased significantly during the Second World War, which

became the backbone until the beginning of the millennium. To summarise, the right Partners with a spirit of building a better future for JLP led the Partnership to sustain itself during the wartime.

### 5.3 Expansion stage (Partnership development)

JLP was keen on developing their corporate heritage brand. They introduced their own brand name 'Jonell(e)' that has recently been rebranded to 'John Lewis'. Their own brand ensures that their quality is the best standard at a reasonable cost. The Partnership developed their business by adding a grocery supermarket heritage chain 'Waitrose' to their business. Moreover, they kept their brand designs modern. Value added service is a stage of their corporate heritage brand development, by introducing to the retail market several services which attract their stakeholders. More recently their communication channels have become more attractive with the introduction of their Christmas adverts.

#### ***JLP corporate heritage brand development***

JLP introduced their own brand name 'Jonell(e)' in 1937. This name started to identify their products in the market as a corporate brand for the JLP. JLP carried on developing their brand to meet customer demand. This gave a strong identity to 'Jonell' which was representing a well-known organisation in the retail industry in Britain. JLP decided to rebrand 'Jonell (e)' to 'John Lewis' in 2001 to utilise the founder's name as a global heritage name for their business. The JLP heritage centre manager explains their own brand as follows: "John Lewis continued using brands under the name of 'Jonelle' ", The 'Jonelle' brand has been around since

the middle of the 20<sup>th</sup> century, which was the brand name for merchandise that represented a gap in the market. These items were of a superior quality to what you would buy on the market for a similar price. Jonelle continued until the turn of the millennium, when it was decided to create a more homogeneous John Lewis brand. They dropped the name of Jonelle and replaced it with the brand name 'John Lewis', as well as using the John Lewis name to cover every shop rather than keeping their old names. This project took 5 years to complete but has now given one corporate brand for the whole of the country; and as we started moving abroad and on the internet, this has become increasingly important”(MA4). This brand name which covers most of their goods labels is considered a trait for their organisation constancy due to their product and service focus.

### ***Grocery department in a retail store (Waitrose)***

JSL' vision was focused on long term business. He believed that customers must be treated in an honest manner in order for the Partnership to gain their loyalty and trust (Lewis, 1948). He decided in 1937 to add to the Partnership a heritage grocery brand to provide customers with all the goods they need for their daily life. Waitrose grocery became a part of JLP, and some John Lewis stores started to have a grocery section which enables the customer to buy their grocery goods from one place.

This movement added strength to the Partnership in terms of profits and reputation. Balmer clarifies that this type of innovative movement gives a unique trait for the corporate heritage brand (Urde et al., 2007, DeMerlier, 2008, Balmer

& Chen, 2016). John Lewis' loyal customers are aware their innovation in introducing grocery shops to the Partnership, as one interviewed customer said: "The business is changing quite rapidly - a retail company which offers online business and department stores and Waitrose supermarket"(CU2). This new strategy in developing the organisation has helped to keep their heritage brand sustained for a long time.

### ***Quality and price innovative strategy***

Since 1925, John Lewis introduced to the retail industry a slogan which became a part of their heritage image: "Never knowingly undersold". This slogan is a part of JLP commitment to introduce the best quality at the best price to the market. An interviewed customer confirms the unique pricing strategy that JLP followed for several years saying that " Absolutely love this shop I have purchased several items over the years everything from socks to a washing machine I have never had a bad experience always friendly helpful knowledgeable staff I purchased a TV a couple of years and I received a phone call approximately two weeks later to say that the original price of the TV had gone down and received the difference into my account the next again day well done John Lewis"(CU6). A John Lewis manager clarifies this iconic heritage theme. "To make a clear statement because we are very conscious of it; since 1925 our slogan has been 'Never Knowingly Undersold', which for me, means offering the best possible product at the best possible price. There is trust between the vendor and purchaser. What we are selling we make available, and at the best price we can; not necessarily stocking the cheapest products but always offering the best value"(MA3).

### ***JLP design and style innovation***

The Partnership always worked to deliver the best modern designs and style that attracts their customers. Balmer (2011) explains that heritage brand must be integrated with the times because it plays an important role to reflect the brand trait for this organisation. The four aspects that JLP continues to focus on as representing in their designs are honesty, value, assortment and service. They ensure that their products' design is clear, elegant and efficient to attract all shoppers. An interviewed manager says, "I think we have a balance of uniqueness in our design as well as following the current trends and keeping up-to-date"(MA1). They consider their brand to be designed for middle and upper class customers, so they are keen to build their reputation by having this unique style and design in the market.

A JLP retired manager gave us more explanation on their brand design strategy. He says, "John Lewis worked with some of the best and brightest new designers in the market; they are always looking at what is going on around and outside the business. We have somebody who knows how to track those changes, looking outside the business, so we should be up with any new unusual ideas. Also, we always try something new and see if the customer wants it and never wait until somebody else tries it first"(MA1).

John Lewis has many unique fabric and textiles that date back to the 18<sup>th</sup> century and are considered as a heritage style that could be used anytime. They have curated all these designs from previous eras and use them today in different John Lewis fabric products to express the past in a modern way, as stated on

one of the Partnership's Gazette magazine messages by JLP CEO in 1972. "They not traditional as they used to be, there are a lot of William Morris fabrics and wallpapers which are very traditional, very lovely but also you can find modern designs as well" (Gazette, 1972). John Lewis now covers several store main fronts with these heritage textile designs, which reflect the authenticity of this organisation.

### ***Partnership service innovation***

JLP always continues to innovate their services to create a successful shopping experience for their customers. They introduced their own credit card through a collaboration with HSBC bank in 1999. This credit card allows John Lewis loyal customers to get additional benefits from their purchasing transactions. Also, they have improved their service delivery and installation, which has kept customers satisfied by receiving products on time. In addition to that, John Lewis has offered five-year warranties for all white goods which gives an advantage over other white goods brands in the retail market (JLP, 2012).

Balmer (2013) points out the importance of manufacturing processes and the delivery of the service, because it is definitely considered a trait for any corporate heritage brand. These type of added service will give the product or service a trait of sustainability and longevity in the retail industry (DeChernatony and McDonald, 1998). Customers have noticed the after sales service that John Lewis provides to their customers. An interviewed customer says that: "Popped over to John Lewis Southampton as I had an issue with my MacBook Pro not charging, it was just over a year old and the lead was found to be faulty (thank goodness for JL's

2year warranty) after a short trip to the Apple Store to get a new charger I was refunded the full cost by Jay in the technical department.... first class service young man and well done John Lewis"(CU1).

### ***JLP corporate communication***

Corporate heritage advertising and public relations are an important trait for any heritage brand. It can demonstrate the strength of any organisation because communication plays an important role in attracting the customer and building publicity to any corporate heritage brand (Balmer and Gray, 1999; Balmer, 2017).

In the past John Lewis considered customers as the communication link between the organisation and the market. They believed that their customers sounded more credible when building their reputation. They succeeded in attracting customers to communicate about their activities and achievements. In 2007, John Lewis released their first Christmas advert to market. Since that time, it has become an annual tradition, becoming part of British culture. Moreover, they used it to reflect their identity and deliver a unique story to the audience, but not to promote their specific products or services. A JLP retail manager explains their advert during our interview with him by saying: "If you look to our Christmas advertisement, we are not advertising a product, we are advertising the John Lewis theme or lifestyle. So, for instance, in the last 3 years of Christmas advertising campaigns (Man on the Moon, Monty The Penguin, The Bear and the Hare), you didn't see any product or pricing, you saw John Lewis telling a story about Christmas, telling you that John Lewis has something to do with Christmas,

and if you want Christmas to succeed then John Lewis will be part of that. Seems to me a very strong emotional message”(MA3). This built up more respect for what John Lewis offers and it has become one of the top 5 Christmas adverts in Britain.

#### 5.4 Extension stage (Technology revolution)

Technological innovations play an important role in building any corporate brand trait, as stated in Balmer's (2011) theory of heritage brand traits. He believes that heritage brand sustainability and innovation form a key part of these traits, such as Omni-temporality, external/internal tri-generational hereditary and ceaseless multigenerational stakeholder utility. Technological innovations represent the present industrial revolution and how the corporate heritage organisation can be sustained in the future through the use of technology. JLP corporate heritage brand is innovating continuously through engaging multigenerational stakeholders to the Partnership business.

#### ***John Lewis and Technology innovation***

JLP was one of the first corporate firms in Britain that used technology to introduce innovative ideas to the retail industry. After the millennium, the Partnership decided to launch their retail website which gave information about their business, products, services and their heritage story. John Lewis took the initiative to be the first corporate heritage retailer in Britain to approach all customers over the cloud. A year after, JLP management decided to launch their online shopping website service. However, the online shopping facility was rarely

used in 2001. As John Lewis' directors Luke Mayhew said for BBC News: "We have a strong and well-designed site as well as attractive packaging and have started the process of rolling out products for customers to buy online". This gave a clear image about their strong vision to attract customers of multiple generations to their brand, as a strategy for brand affinity. This strategy led the Partnership to meet their customers' demands, which maintained their corporate heritage brand trust in the retail market.

A JLP manager informs us that: "We learn by watching sometimes, but I think we are getting better at that. It took a long time for us to start selling Apple products. Sometimes we watch what happens to make the right decision" (MA2). Innovation strategy is a key part of sustainability, which keeps the business in a powerful position to meet stakeholders' needs. This strategy requires the organisation to engage in any market changes that may impact the business. This is consistent with Weerawardena et al. (2006)' s findings that brand innovation strategies focus on enhancing the business through a better understanding of the market environment. John Lewis sometimes learns from other retailers' experiences so they can build a solid and sustainable strategy. The JLP director announced for BBC News that: "John Lewis lets the other people make a lot of the mistakes - and we have avoided those in setting up our own strategy", which leads JLP to make the right decisions with limited risk. A retired Partner discussed the development of the retail industry and how this led John Lewis to be more authentic in delivering the best services that customers requested. He says that: "The business is changing quite rapidly, it's a retail company which offers online business, department stores, and Waitrose supermarkets"(MA6).

### ***John Lewis and social media applications***

The Partnership technology development process continues to this present day. JLP is now well recognised in different social media channels, including Facebook, Twitter, Instagram and others. In 2010 JLP began to use different social media applications as a marketing tool. The Marketing director of JLP Mr Craig Inglis said in one of his announcements that: “Entering into social media never replaced having a big idea [and] the heart of our success is having big ideas that can bring the proposition to life”( Campaign magazine,2012). This reflects that JLP is innovative and has the ability to meet their stakeholders’ needs. This leads JLP to build a brand affinity with multiple generations of customers and Partners. Balmer’s (2011) corporate heritage brand traits are reflected in John Lewis’ technological innovation strategy, adapted through their ceaseless multigenerational stakeholder utility. This ensures that they continually keep their brand engaged with different types of stakeholders. Using social media in any heritage corporate brand reflects the trait of Omni-temporality, where the past is represented by a classic way of communication, as well as the present which allows the business trading to take place online, ensuring it is easy to access. In addition, the future of all business will be coherent with technology innovation.

### ***JLP online revolution***

After 2010, John Lewis engaged with social media applications and they started to be a virtual department store. With a single click, customers can browse over 50000 product lines, check prices, read detailed product descriptions and give

feedback following a purchase. When a JLP manager was asked about their responses to social media, she said that: “We allow customers to leave feedback on our website for each item, which we then publish. We believe in each comment (good or bad); if it’s a negative comment, we will respond. So the customer might be interested to see what it is and how we actually deal with it”(MA2). This quote reflects how JLP deals with their stakeholders in an honest manner. JLP as a heritage corporate brand reflects their authenticity in the way they deal with their stakeholders, which leads them to sustain their reputation. They believe in publishing all comments that give feedback about their products or services, whether good or bad, because they are sure that their Partners have the skills and knowledge to deal effectively with any issues or concerns.

Nowadays, John Lewis is a Partnership with full innovative spirits that has led them to be in the top 10 heritage brands ranked worldwide. They understood their customers and Partners in the past and have demonstrated their ability to change the retail business for better through using online or traditional channels. John Lewis as a corporate heritage brand is full of innovative ideas and modernity, which has sustained them in the retail market for over 150 years.

Figure 5 below summarises the key innovation stages (Invention, Sustainment, Expansion, and Extension) of JLP innovations from 1864 until the present.

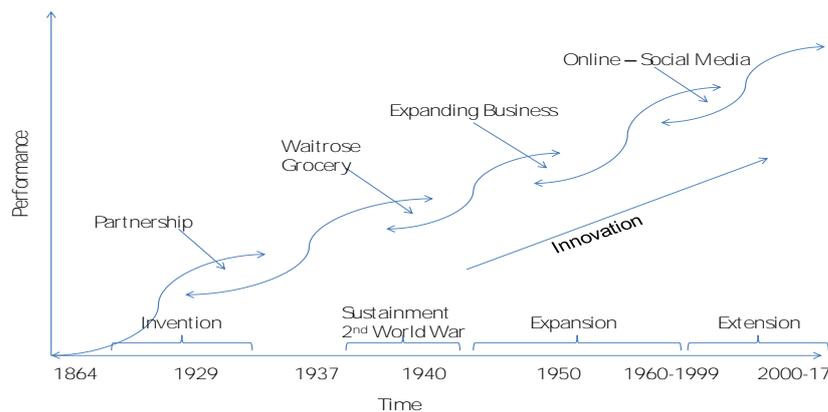


Figure 5: John Lewis Corporate Heritage Brand Innovation Strategy

## 6 CONCLUSION, CONTRIBUTION AND IMPLICATION FOR MANAGERS

Our study reveals that being innovative and creative is one of the most important key traits of JLP's brand heritage and it has contributed to the continuous success of JLP for over a century. Its authentic heritage brand, their ability to change for the better and their affinity to engage all stakeholders in their corporate heritage brand reflects positively on JLP's sustainability.

JLP's corporate management strategy has been focusing on monitoring the market trends and keeps changing for better business, they grow fast taking under-consideration market demand and customer needs. Being adaptive to the business environment at the time, and being flexible and pioneering to meet their stakeholders' requirements are important for corporate heritage brand. JLP has engaged strongly with its different stakeholders to reflect their business ethos and their ability to deliver the best service to its customers all the time.

The John Lewis Heritage Centre is the place where all the data was collected and where the interviews took place. The interviewees participating in this study

include JLP directors, senior managers, retired Partners, current partners (employees), and loyal customers selected randomly through John Lewis management.

Our research findings from the JLP case study has confirmed the proposed research framework on innovation strategy of corporate brand with heritage. As one of the most famous heritage retailers in the United Kingdom, JLP has continued for over 150 years to serve multi-generations at different times, including several difficult situations (such as two World Wars) which kept their customers, partners and the community more engaged and satisfied.

Developed from S-Curve innovation theory, we have also identified and developed a heritage brand innovation process framework with four stages from the JLP case. These four stages are invention, sustainment, expansion and extension (Figure 5). It demonstrates that being innovative is vital for corporate brands with heritage to sustain and expand. This study also confirms that S-curve innovation theory can not only be used to understand product innovation but also to analyse corporate brand and organizational innovation.

The previous studies about JLP business concentrated on demonstrating the Partnership idea and how this unique organisation developed. The studies covered this topic from human resources, organisation strategy and organisation behaviour sides (Storey, 2007; Cathcart, 2013). Our study is the first attempt to build an integrated vision of brand innovation processes this corporate heritage organisation and how it has been sustained for more than 150 years. This study highlights innovation from the managerial strategy aspect, taking into consideration of its technology development. We also address the role that social

media has played during the last two decades which reflects the innovative and modern features of the Partnership strategy which keeps the business up-to-date and sustained.

Our study extends the literature on S-Curve innovation theory which studies innovation processes of corporate brands with heritage. However, our study has focused on JLP as a single case study to understand this phenomenon. More empirical work on different corporate heritage brands from other industry could be useful for future research.

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