



Defining a corporate real estate management's (CREM) brand

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Abstract

Purpose – This paper aims to explore how branding theory can be used to understand corporate real estate management's (CREM's) relationships with its customers. Specifically, the perspectives of CREM executives and customers are used to develop a statement of a CREM brand.

Design/methodology/approach – A multiple case study approach from four industry sections that consist of telecommunications, logistic, retail, and education from an emerging real estate market (Malaysia) and a mature real estate market (Australia). CREM executives and CREM customers from each case were interviewed to obtain information on CREM within organisations.

Findings – The findings indicate that CREM supports the business by managing organisations' strategic real estate resources as its brand. CREM executives focus more on the technicality of real estate functions, while CREM customers expect corporate real estate (CRE) to support their business functions.

Research limitations/implications – A CREM brand is important to CREM relationship building with the targeted customers. Successful brand development is able to increase CREM visibility to customers and at the same time gain appreciation of its contributions to the organisations.

Originality/value – This is the first study that investigates CREM from a branding perspective. The mechanism for communicating CREM contributions using branding helps to increase acceptance from the customers.

Keywords Branding, Internal communications, Corporate real estate, Emerging property market, Internal service

Paper type Research paper

Introduction

Corporate real estate management (CREM) is perceived as a new area within real estate and business community. To some extent, it can be seen overlap the boundary of other real estate areas. The term "corporate real estate (CRE)" popularly used in the early 1980s starting from Zeckhauser and Silverman (1983) defining CRE as the land and building owned by companies not primarily in the real estate business. However, there is a slightly different definition given by Dresdow and Tryce (1988) where they included real estate leased and controlled by the corporation as the CRE. Brown *et al.* (1993) added that the term of CRE applies to real estate assets either owned or leased by firms to achieve corporate objectives. Several other studies also define CRE as real estate held whether it is owned or leased by a corporation to achieve the organisational goals (Joroff *et al.*, 1993; Roulac, 1999; Manning and Roulac, 2001;



Ali *et al.*, 2008). This led to a common definition that CRE are real estate assets either owned or leased by corporations in pursuit of its primary business mission. There is no doubt that previous studies define CRE and its management as the workplace, property management, and managing the facilities.

There is no problem with these definitions. However, heading into the new century, CREM's role has improved to be more than just providing workplaces for employees and finding suitable locations for organizations to do business. Senior management realises that CREM could contribute to many areas including human resources, finances, internal culture development, improved productivity, marketing, and many more. These multiple roles played by CREM creates confusion for customers about what constitutes a CREM brand.

Having a brand for CREM brings CRE from being seen merely as the bricks and mortar of physical assets into an important resource for organisations. Branding CREM as a resource for organisations increases CREM's status from an operational management level to the strategic management level equal to what human resources and finance are experiencing. CREM has the strategic capability because its contributions are very significant to organisational success, especially in the form of merger and acquisition, capital spending, relocation, global expansion, marketing decisions, staff allocation, productivity improvement, team building, property management, handling facilities, reducing operating cost, and many other contributions ranging from operational level up to the strategic management level.

Branding application in CREM has been mentioned by several researchers, such as Roulac (2007) and Appel-Meulenbroek *et al.* (2010). However, both studies referred to physical branding of the CRE which is different from the service branding of CREM. This study is an extension of a previous study by Omar and Heywood (2010) that adopted branding as a tool to unpack CREM's positioning status within organisations. CREM has evolved from supporting business operations into an important resource in fulfilling greater customers' demands to achieve an organization's goals. The focus has already changed from daily routine property activities at the operational level into various management levels across different functional departments in a variety of settings. Effectiveness of CREM functions relies upon synergising real property value with other organisational functions as part of the strategic resources for organisations.

As there is increasing interest from real estate researchers and practitioners in CREM, this study aims to contribute to an understanding of CREM within organisations. Specifically, this study aims to provide an explicit definition to CREM's brand drawn from the two of the perspectives of CREM executives and CREM's customers. This will allow the CREM community and customers to have a better alignment of CREM's role within organisations.

A CREM brand is created in the customers' mind

The issue of the branding between services and physical goods still remains an open issue. However, there is growing acceptance that service brand positioning is different from product positioning (Cunningham *et al.*, 1997; Blankson and Kalafatis, 1999). This claim is supported by de Chernatony and Dall'Olmo Riley (1997) who state that a service brand is more challenging and relies heavily on a service provider's actions and attitudes. It has been suggested that from the customer's perspective that the behaviours of service provider employees also influence customer perceptions of the service

(Harris and Fleming, 2005). Thus, it can be seen that services are slightly different to products due to the nature of services that are attached to the service provider.

The purpose of having an understanding of a brand is to provide a clear guidance for implementing a communication program (Aaker, 1996). Positioning for the brand is part of the identity that the brand must communicate to the audience. The same as for products, services such as CREM, need the same approach where services are not created in an organisation only, but brand positioning is created in the mind like a friend you love or a neighbour whom you dislike (Meyers and Lubliner, 1998). According to this theory a person can assume a position or a position can be imposed on a person. In this positioning activity, more than one party is involved – oneself and the other at the same time. One side has always positioned the other while simultaneously positioning himself or herself. Every time somebody positions him/herself on one side of the discursive act this always involves a positioning to the other side that is being addressed. Perceptions in the mind of a customer should be taken into account when talking about positioning a service product. Essentially, each member of the organisation plays an important role during their representation of service because gaps may exist between service specifications and actual employee behaviours (Parasuraman *et al.*, 1985).

In order to tackle this situation, it is suggested that CREM executives and CREM customers play their roles in improving CREM contributions within organisations, particularly in understanding the potential of CREM to deliver value for both parties. This is important because a brand is initially created in the mind of the customers rather than the service provider (Aaker, 1996; Ghodeswar, 2008). Service delivery act as a promise for the CREM brand in order to achieve customer satisfaction. Therefore, a study of the CREM customer's perception of CREM itself is needed in order to create a strong brand for CREM.

It is important for CREM to define its brand for communication purposes to its targeted customers such as senior management, business units, and stakeholders. A brand simplifies communication strategies by providing a clear value proposition to the targeted customers (Ulrich and Brockbank, 2005). Furthermore, an effort to increase CREM's status involves more than presenting its technical performance but also involves the relationship building strategies (Omar and Heywood, 2010). Ability for CREM to communicate in accordance with organizations' goals and direction will increase acceptance from customers. At present, the age of broadcasting and mass-marketing to mass audiences is giving way to an era of narrow marketing that customised to smaller segments (Nandan, 2005). Therefore, having a CREM brand ensures consistency and uniformity in communication to be noticed, to change perceptions and to reinforce attitude that lead to deep customer relationships.

Understanding of internal service branding

Internal customers can be defined as individuals or other departments within an organisation that internal service provider serves (Minjoon and Shaohan, 2010). In this sense, an organisation can be conceptualised as a chain of individual units that are linked together to satisfy external customers. Thus, the collaboration between work units consisting of service provider and internal customer ultimately impacts on the company's ability to meet or exceed external customers' needs and expectations. Some researchers have argued that internal customers are equally important as external customers in providing faster products or services to the market, lower waste and costs,

and improve external customer service quality (Finn *et al.*, 1996; Stanley and Wisner, 1999, 2001). Despite its strategic importance in sustaining competitiveness in the marketplace, the issue of internal customer satisfaction with internal service has received relatively little attention from researchers.

Branding an internal service requires more than just addressing the meaning of “service” because the problem in defining a service is that it involves many degrees of intangibility (de Chernatony and McDonald, 1998). A successful service brand derives from carefully nurtured relationships, which develop staff and customers’ respect for certain functional and emotional values of the brand (de Chernatony and Dall’Olmo Riley, 1997). A successful brand conforms to the following criteria:

- a successful brand has a name, symbol or design which identifies the product or service as having sustainable competitive advantage;
- a successful brand results in superior profit and market performance;
- a successful brand is only an asset if it leads to sustainable competitive advantage; and
- a successful brand, like other assets, will depreciate without further investment.

These elements are identifiable as adding values in increasing profit and performance that lead to sustainable competitive advantage will then turn an internal service into an asset for the organisation. The specific nature of a service requires tailored concepts and approaches consist of consistency, adding value, and accepted by the customers (McDonald *et al.*, 2001). To improve brand strength, a service provider needs to shape this set of perceptions so that the targeted audience will think that the brand brings a positive impact to them.

A challenge in delivering internal service is whether the internal service’s core competency aligns with expectation from internal customers in providing quality service to external customers because an internal service provider is under an unstated “contract” with other departments to provide a specified level of service (Farner *et al.*, 2001; Cannon, 2002). Thus, it is crucial for the internal service provider to understand the expectations set by its customers in order to be accepted by customers within organizations.

Methodology

Based on the branding framework, this study adopted in-depth interviews and document analysis from eight organisations. The organisations were selected from four different industries consisting of retail, telecommunication, education and logistics. These organisations were selected from two real estate markets: developing (Malaysia) and developed (Australia). A reason to explore the two markets is to explore branding application for CREM in different real estate markets. The company names used here are pseudonyms because of ethics requirements approved by the University’s human ethic committee for this study.

The in-depth interview used the positioning, communicating, delivering and leveraging (PCDL) model developed by Ghodeswar (2008) as the framework for this study. This model is part of branding theory for developing a strong brand. This paper focuses only on the exploring CREM brand through its core competencies from the perspective CREM executives and CREM customers (Table I).

Table I.
Case selection for
interviews

	Retail		Telecommunications		Education		Logistic	
Malaysia	Case 1 (ChickBase) CREM CREM		Case 2 (TMC) CREM CREM		Case 3 (PMU) CREM CREM		Case 4 (MalLogistics) CREM CREM	
	Executive	Customer	Executive	Customer	Executive	Customer	Executive	Customer
	1	1	2	2	3	3	4	4
Australia	Case 5 (Home Bakers) CREM CREM		Case 6 (TLT) CREM CREM		Case 7 (BMT University) CREM CREM		Case 8 (LL Logistics) CREM CREM	
	Executive	Customer	Executive	Customer	Executive	Customer	Executive	Customer
	5	5	6	6	7	7	8	8

Selection of respondents was restricted to high ranking management in order to obtain an overall view of CREM positioning in the organisation. This meant that there were a minimum of two interviews from each case representing each party: a CREM executive and a CREM customer. The number of respondents was chosen for its practicality relative to the research time-frame, and also to provide corroborative evidence relating to CREM positioning.

For document analysis, the study explores published material from official sources that represent the selected organizations, such as annual reports, official web sites, and news published by the company to the public. This method works as a triangulation to the information found from the in-depth interviews. Through empirical exploration, this study intended to contribute a better understanding of the internal service provider in improving its service to the customers.

CREM core competencies

Two perspectives were found to be useful to understand CREM positioning and in explaining the relationship between the service providers' side (CREM executives) and the users' side (CREM customers). The core competencies for CREM can be seen from the following two perspectives:

- (1) CREM executives' perspectives; and
- (2) CREM customers' perspective.

An obvious core competence found from CREM was the role as custodian in safeguarding organisations' physical assets. To some extent, CREM can claim the custodianship of their organisation's physical assets as a super core competence because due to its main contributions in safeguarding organisation's physical assets. Therefore, it is important to identify sub-competencies for CREM in order to explain CREM's super core competency because these core competencies provided a different meaning and understanding from the CREM executive's and the CREM customer's perspective.

CREM executives' perspectives

The organizations awarded the custodianship role to CREM functions based on CREM's knowledge and experience in handling all property matters. From the study, it was evident that CREM as custodians was pervasive encompassing areas of responsibility in property management, facilities management, and even strategic real estate management (Table II). There was no clear boundary in defining the custodianship

Area	Role	Function
Facility management	Workplace planning	Space provider Indoor air quality Workplace environmental management Team working coordination
	Building operations	Security Daily maintenance and cleaning Physical upkeep Energy consumption management
Property management	Property administration	Rental collection Property reporting Record keeping for property
	Property marketing	Marketing spaces for let Tenant selection Rental schedules
	Physical and environmental management	Renovation Refurbishments Maintenance and replacement of facilities Health and safety Environmental and sustainability management
	Property transactions	Property inspections Property negotiations Documentation Purchase and dispose of property
	Property legal	Legal documentation assessment Tenancy laws Legal requirement for property
Strategic real estate management	Procurement	Central purchasing function
	Property support for business units	New outlets development Property consultancy for business units
	Central property decision-making	Property monitoring across business units Part of team in company mergers and acquisition Part of mergers and acquisition team
	Property master plan	Cost control mechanism Long-term physical planning Capital plan Business relocation planning
	Profit generation strategy	Unlocking idle land bank Joint venture with property trust Property disposition Space rental to outsiders Sale-and-leaseback

Table II.
CREM's core
competencies from CREM
executives' perspective

role for CREM because to some extent this role seemed overlapping with other competencies. However, explaining CREM's custodianship role from the perspective of facility management, property management, and strategic real estate management provided some insight into this understanding.

Facility management

There were two main roles conducted by CREM within facility management area in the studied organisations. They are:

- (1) workplace planning; and
- (2) building operations.

The main facility management roles for CREM can be seen as the provider for space as the workplace to house workers and for running the organisation's core business. This workplace was more than just providing a basic office space for workers. CREM executives were expected to come up with solutions to changing working styles, ranging from supporting knowledge workers, increased team working and collaboration, independent workers, flexibility, reducing the management gap among employees, being able to improve productivity, promote creativity, and many more. Besides, the space provided for workers, CREM is also responsible in providing spaces for running core business operations. For example, CREM executives in LL Logistics played an important role in making sure their warehouses and distribution centres were properly managed.

Within the facility management area, CREM executives were responsible for handling building operations such as security, daily maintenance, cleaning, and looking after the physical upkeep of an organization's space or physical assets. This covers all the physical assets owned by organizations to run their core operations. For example, besides office spaces CREM executives from TLT are also responsible of maintaining all the telephone exchanges, mobile phone towers, retail outlets, data centres and other telecommunication facilities. One of the elements that had a significant contribution in highlighting CREM's image was energy consumption management. This can be in the form of cost savings, promoting green technology, and utilisation of organisation's energy resources. This element can be part of CREM strategies in adding value for organisations.

Property management

CREM executive's involvement within the area of property management in the studied organisations involved several main roles. Among them were property administration, property marketing, physical and environmental management, property transactions, property legal matters, and procurement.

Property administration is directly related to rental collection, keeping records for physical inventories, and property reporting. This is for making sure that all an organizations' physical assets are well managed. It was a common practice in the studied organizations to have a property database to track their inventory of spaces, lease expiration dates, locations, and the physical condition of the organisations' assets. The property administration task can be more crucial and complicated when it involves many properties at different locations, such as those faced by the studied retail organisations – ChickBase and Home Bakers.

The role as property marketing provides CREM executives with the opportunity to venture into their own real estate business. This role also came with the ability to select tenants and determine the rental schedules for rental spaces. Even though this role seemed small compared to property maintenance's, this role allowed CREM to demonstrate to their customers and senior management CREM's ability to generate additional income for organisations.

There were slight differences in the role as physical and environmental management in property management compared to the area of facility management. The scope of work involved with larger scale projects such as renovation for new outlets, refurbishment, and replacement of outdated facilities outside the workplace. Environmental management within property management represented the health, safety, managing environmental, sustainability of physical, and spaces. This role created an impact for organisations in terms of providing space at an affordable price. Balancing between reasonable costs with environmental sustainability was about looking at the long-term impact from the physical assets, especially related to environmental management and health and cost in operating the building.

As an expert in real estate matters, CREM executives played an important role in handling property transactions within organisations. Among the property transaction activities that required CREM executives were property inspections, property negotiations, documentation, and acquisition and disposal of property. Property inspection was among the earliest process for every property transaction process. Property inspection activities provide assessment of the property's suitability for conducting the organisation's core business in terms of size and working conditions for the employees. Property negotiation was a stage in bargaining a price with an owner or landlord. At this stage, the understanding of hidden costs involved with property transactions was an important consideration in getting benefits from a property transaction. Property negotiation cannot be measured tangibly, it is a skill gained from experiences in handling property matters such as through estate agency, property development, property management, property maintenance, or property mergers. On top of property knowledge, knowledge about finance, feasibility studies, and development processes showed CREM executives as the right people to undertake property negotiations for a company.

In this study, the involvement of CREM executives in the legal aspect was crucial for organisations, especially when there were many property transactions, or mergers and acquisition. These activities need people with technical property knowledge, like CREM, because these activities are involved with transferring property rights and legal binding agreements that can have a big impact on organisations. The typical practice in the studied organisations was that every property transaction that involved legally binding documents had to go through the CREM functions for assessment. Legal documentation assessment was a crucial part in property transaction processes. It was time consuming and business units did not have time and knowledge to understand the legal documents and the impact on the organization in the future. Activities in legal assessment for leases were involved with outgoing agreement, land tax, terms of payments, responsibilities of each party, and other charges involved. Making sure a property transaction was right in the first place was a key to safeguarding organisations' interest and preventing legal complications.

CREM procurement's role was in the form of handling centralized support services that is related directly to property matters. For example, CREM functions in BMT University and TLT were responsible for buying stationery, fleet management,

and health and safety materials. The CREM function became involved with this role mainly because CREM was part of finance department within the organisational structure (three out of eight cases). This role provided CREM with an opportunity to expand its capability beyond management of only the physical assets.

Strategic real estate management

Apart from the facility and property management aspects mentioned above, CREM functions were also involved in strategic real estate management in organisations. At this area, for the studied organisations, the focus was more towards aligning physical assets and spaces with organisational core business. At a strategic real estate management level, normally CREM contributions were embedded into organizations' strategy, and it was difficult to identify that the strategy belonged specifically to CREM. A strategy may be initiated or driven by CREM executives but the whole strategy itself involved other parties such as the finance functions, the human resources department, and also the business units. This role involved with long-term and on-going commitment and contributed impact to organisations on a larger scale. Among of the roles within this area were:

- property support to business units;
- central property decision-making;
- develop property master plans; and
- generating profit from property.

As a support function, CREM's main objective is always to support business units' activities such as opening new outlets, and providing property consultancy for business units. There were organisations such as ChickBase, Home Bakers, and MalLogitics that have specific tasks for their CREM function such as opening a number of outlets for business units. However, other organisations still allowed CREM to be a diverse role ranging from providing advice, lease management, feasibility study, site selection and many other physical related activities being handled by CREM. The main intention was to make CREM as a property point of reference for business units.

CREM contributed to strategic real estate management by playing a role as central property decision-makers, especially involving legally binding transactions. The central property decision-making allowed an organisation to monitor real estate activities across business units in the organisation. The ability to monitor these property activities by business units provided an opportunity for organisation to use property as a cost control mechanism. For example, space charging helped organizations to save costs and pushed business units to rethink their space usage. In addition, CREM executives were part of the team in merger and acquisition activities to provide input from a property perspective in this strategic aspect of real estate management.

Another strategic role of CREM at the strategic management level was CREM's involvement in developing property master plans for organisations. The development of a master plan was highly used by organizations that directly depended on physical assets and space to run their core business, such as PMU and BMT University. In this situation, a database of physical assets played an important part in providing input to organizations in making justifications for a proposed project. Having a complete database also allowed for space audits inside organisations and allowed for space monitoring across business units.

Last, CREM's strategic management role was to generate profit for an organisation. This study found that the CREM function could contribute profit for organisations from unlocking an idle land bank for development, a joint venture with a property trust company in managing an organisation's property portfolio, property disposition, space rental to outsiders, and sale-and-leaseback. However, CREM had trouble in highlighting the profit generated from these activities because there was no separation in financial reporting between profit generated by CREM and other business units. Therefore, CREM has strategic contributions, but the challenge was to demonstrate this ability as an individual entity.

CREM customers' perspectives

This section presents the CREM core competencies from the perspective of their customers. An overview on how customers perceive CREM provided an understanding of core competencies between CREM executives' and CREM customers' perspectives. There were similarities and differences between these two in building the relationship within organizations.

CREM customers still perceived CREM function as the custodian of an organization's physical assets. However, the core competencies for CREM functions from their customers' perspective have slightly different outcomes from what the CREM executives perceived themselves. Arrangement of the competencies showed that customers stressed the importance of supporting and providing property solutions to business units running their core operations. The core competencies from CREM customers' perspective can be divided into three main categories (Table III).

Business unit focus

Strong evidence of a business focus was found in CREM core competencies from CREM customers' perspective. Customers, in this study, expected CREM to play its role without separating CREM into property specialisations such as facility management, property management, property investment or any other specialisations, which is what the CREM executives did. CREM customers' role for CREM in supporting business units were:

- supporting business units' core operations;
- property searches for business units; and
- provide property input for the strategic plan.

Core competencies	Roles
Business unit focus	Supporting business units' core operations Property search for business units Provide property input for strategic plan
Property service provider	Property maintenance Workplace management Property legal administration
Act as property owner for organisations	Space allocation Reduction of property footprint Space charging

Table III.
CREM's core
competencies from CREM
customers' perspective

Supporting business units' core operations was about CREM functions supporting business units to achieve their goals. The main objective for business units in their core operations was to satisfy their own consumers who received their services or products. This consumer is the main source of income for business units. Apart from the importance of satisfying the consumer, business units saw their success as a joint success with CREM functions because both parties came from the same organization.

Interestingly, conducting property searches for business units was an activity in which customers highly depend on their CREM functions. CREM executives have the ability to search for property that suits the needs of business units, especially in creating competitive advantage. In this process, CREM functions acted like a property agent for business units in fulfilling their customers' requests for new property. The customers' knowledge of CREM's property knowledge and understanding of business boosted customers' trust that CREM would find suitable property for the business. However, a request for a property search strictly came from business units and never originated within CREM functions as business units are the ones that will use the property and fund its acquisition.

Strategic planning with the input from CREM function allowed both CREM and the business units to share the same goal. Having CREM functions in the strategic planning process helped to define what are the detailed operational activities needed for a specific goal. Customers in this study found that it was important to include CREM executives in their strategic planning because a physical project normally involved large costs and was a long-term investment. A project needs to be right from the beginning, as once the project begins it has to work.

Property service provider

Customers perceived CREM as a provider of property services to them. This competency played a big part in understanding customers' perception because CREM is an area that involves technical knowledge. Among the services customers noted that they received in this study were:

- property maintenance;
- workplace management; and
- property legal administration.

Property maintenance played a big part in services provided to customers. Activities in property maintenance were varied, depending on the nature of the business' property and nature of the businesses, for example looking after cooling and heating systems, cleaning, and fixing broken doors. It was encouraging to find that property maintenance costs also became a part of customers' justification in requesting a building or new spaces to support their core businesses. This made the CREM function part of an important element in making decisions in supporting business units. However, failure in delivering proper property maintenance as expected by customers had a negative impact on relationship building with customers. For example, a customer in the TMC case (an external tenant in this case) was unsatisfied with the property services provided by the CREM function. Customers expected fast responses from the CREM function in relation to property maintenance to prevent disruptions to their core business.

Another service provided by CREM functions to business units was in terms of workplace management or working environments. This covered several activities

ranging from energy consumption management, indoor air quality, lighting, and health and safety management that were part of the services that customers were looking for from CREM functions in providing supportive workplace environment. The workplace management included doing building fit-out according to business conditions and requirements.

Property legal administration in the business units' projects was handled by CREM executives as this matter is considered as part of CREM technical expertise. It was found that organisations prevented business units from having any legal binding agreement for property transactions without the documents being assessed by CREM function. This was because property legal matters have a big impact on organisations, and the organisation is exposed to many risks if not properly managed.

Act as property owner for customers

Customers in the study also trusted CREM to act as their property owner. Having the responsibility as an owner provided CREM with several roles. There were:

- space allocation;
- reducing the property footprint; and
- space charging.

In this study, customers were aware that space allocation was based on the business size and number of occupants. This means that if a business unit houses more staff then probably they were entitled to demand more space from CREM. For example, in the case of PMU, the customer requested more space given to their business unit as they house more staff and students compared to others. But to some extent, this ratio between size and space is also based on the nature of activities. Business activities that involved a large amount of warehousing, such as LL Logistics, required more space in terms of storage compare to TLT and TMC that required office space to house their knowledge workers.

Because CREM relates much to management of assets and direct control of costs of an organization, it has financial control elements, especially through the property footprint. This can be shown from reduction in property footprint as a strategy to reduce costs by business units. In reality, property footprint reduction was often a result of a space charging process that was implemented for business units. When they had the responsibility to pay for the space they used, then when they found ways to minimise the cost and at the same time increase their profit. Apart from savings for space costs, for one organisation, a reduction in footprint through consolidation of existing sites provided a justification for a new office environment. This new office brought excitement to many staff and at the same time, the CREM function could make an impression in managing the organization's physical matters.

The idea of space charging was part of organization's strategy to control costs because of misuse of space provided to business units. Charging for spaces allocated to business units helped to increase the awareness and efficiency in managing their spaces. In this study, though not widely used, it was the business units that welcomed space charging even though they have to pay for the space they used. At some stage, this activity forced a business unit to act and think like a business entity in terms of profit and loss in managing their spaces. With a space charging approach, business units have an incentive to use their own initiative to optimise, consolidate, or surrender back the space to CREM functions to dispose or hand over to other business units.

This study found that customers are the people who determine the CREM boundaries, not the CREM unit. This finding counteracts most marketing theory that suggests a brand is determined by the product or service provider not the customers. Here, CREM positioning is shaped by the instructions received from its customers before CREM is able to initiate an action or strategy. This requirement positioned CREM as reactive and not a strategy driver. Therefore, it is important for CREM to address customers' needs because the survival of CREM within an organisation is in the customer's hands. This requires CREM to be ready to have flexible boundaries to move beyond just physical real estate services in making sure an organisation's core business operates smoothly. It is worth noting that the CREM effort in fulfilling these boundaries may vary depending on the organisation's core business, especially related to real estate matters (Table IV).

Table IV shows that CREM main role is principally positioned as the custodian of physical assets for organisations. Different roles for CREM depended on the focus of organisations, their core activities, and the frequency of property activities they require. There is no big different in roles played by CREM in Malaysia and CREM in Australia even though these organisations come from different property background. However, organisations that have a large number of outlets, such as ChickBase and Home Bakers, tended to structure CREM as their outlets' controller. Meanwhile, organisations that employed large numbers of knowledge workers, such as TMC, PMU, TLT and BMT University preferred CREM to be responsible for the workplace or office management in terms of property maintenance, facilities maintenance, renovations, and workplace management.

CREM roles	Malaysia				Australia			Frequency
	ChickBase	PMU	TMC	MalLogistics	Home Bakers	BMT University	TLT Logistics	
1. Physical and environmental management	•	•	•	•	•	•	•	8
2. Building operations	•	•	•	•	•	•	•	8
3. Property administration	•	•	•	•	•	•	•	8
4. Property master plan	•	•	•	•	•	•	•	8
5. Property transaction	•	•	•	•	•	•	•	6
6. Workplace planning		•	•	•		•	•	6
7. Property supports for business units		•	•	•		•	•	6
8. Central property decision-making	•		•	•	•		•	6
9. Procurement	•		•	•	•		•	6
10. Property legal	•		•	•	•		•	6
11. Profit generation strategy	•		•	•	•		•	5
12. Property marketing		•	•			•	•	4
Frequency	9	7	12	11	9	7	12	10

Table IV.
Roles for CREM

A pattern also emerges from the studied cases indicating that CREM in organisations with headquarters and responsibility for managing outlets for organisations such as retails and telecommunications, are significantly involved in strategic decision making and operational activities. CREM in these organisations required additional knowledge and skills due to the different nature of property and activities. However, the findings indicated that CREM strategies are highly dependent on an organisation's physical assets held relative to CREM core competencies.

Defining a brand for CREM

Information from the literature and empirical evidence from the study indicated that a CREM brand consists of three elements (Figure 1). They are:

- (1) CREM as a resource for organisations;
- (2) CREM supports organisations' core business; and
- (3) CREM supports through real estate functions.

This study defines a CREM brand as:

CREM supports the business by managing strategic real estate resources.

First, CREM as a resource for organisations means that CREM is one factor or input of production to produce goods or services. There are already many debates from the perspective of classical economics to modern economics' perspective about what is meant by factors of productions. Factors of production can range from land, labour, capital, entrepreneurship, technology, intellectual capital, human capital, natural resources, and many more, depending on the economist's' school of thought and perspective. All of these resources are assembled by an organization in order to produce outputs in the form of tangibles and intangibles. A common feature found in blending these inputs to produce outputs as it has physical dimensions – space,

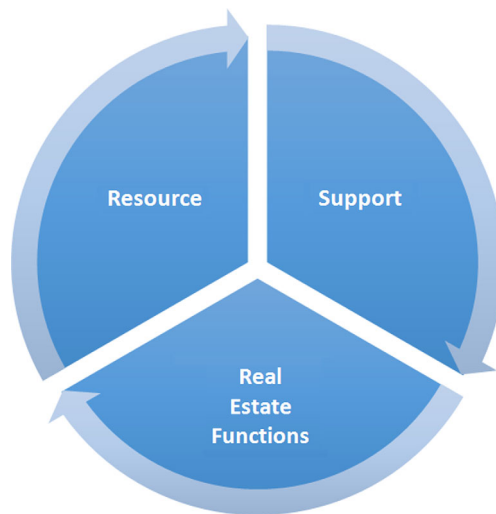


Figure 1.
Elements in the
CREM brand

and location. CREM plays an important role in being a custodian of organizations' physical assets. As an important resource, CREM has the potential to be a permanent agenda item at the strategic management level.

Second, CREM supported organisations in a variety of ways especially organisation's core business. For physical activities, CREM was found to be involved in a wider range of activities within organisations ranging from property transactions, interior fittings, renovations, refurbishment, space rental, land development, mergers and acquisitions, team building for employees, energy saving, marketing, distributions, property master plans, lease management, fleet management, security management, procurement, and many more. Apart of making sure physical activities are properly managed, CREM is also responsible for supporting other business activities that move beyond physical aspects. These roles include promoting human resources functions, increasing productivity, providing financial flexibility, promoting the marketing message, and many more. Organisations may outsource the supporting activities whether physical or non-physical to external service providers but they still require internal coordination and alignment to suit an organization's objectives. The coordination between internal and external services is CREM's support to organisations.

Third, CREM's existence can be seen mostly through its real estate functions. However, given the definition of real estate as being a bundle of rights, one can understand that real estate is beyond just the "bricks and mortar" elements. Real estate involves physical and non-physical management. Physical real estate involves the building, facilities, interior fittings, furniture, storage, building materials, and many more. Meanwhile, non-physical elements involve managing spaces, property transactions, legal, ownership, lease management, goodwill, location, team building, culture development and many more. Therefore, CREM responsibility does not limit physical activities only but also incorporates the physicals with non-physical activities.

Being a support function means CREM faces the risk of replacement if it is not able to perform as expected by customers or organisations. Customers could find an external service provider as a replacement in order for them to operate their core business. An understanding of CREM's core competency and capability helps customers utilise CREM in supporting their core operation. In this situation, communications plays an important role in conveying CREM messages and increasing understanding for customers on how CREM supports the business by managing the strategic real estate resource. Strategically, CREM could brand itself as the business' strategic real estate resource manager.

This study shows that CREM needs to better frame itself in terms of supporting business as that is what their customers saw as CREM's core competence. This is because the study showed that CREM saw its competencies as being in terms of real estate management tasks – facility management, property management and strategic real estate management. If there is confusion in customers' minds, as has been noted, then clearing that confusion and building on the brand provided here would be best if done in terms of the way that CREM customers saw CREM – having a business unit focus, being a property service provider and acting as an owner. This suggests that CREM needs to reframe what it sees as its core competencies. This would impact on the way it communicated what it does and how it formed relationships with its customers.

Conclusion

The difference between what CREM executives perceived about themselves with the customers' perspective indicates that CREM customers have limited understanding of the details of CREM functions. Most probably, they lack interest in the details because the main concern for them was how CREM supports and helps their core operations. As the CREM brand is developed in the customers' mind, then it is the CREM responsibility to communicate its core competencies to the customers.

As a strategic real estate resource, CREM supports organisational core businesses as an input of production for the organisations. CREM contributions move beyond physical contributions into intangible roles, including human resources and financial contributions. Myopia from senior management, which foresees CREM as a physical provider, only led to misunderstanding of other CREM contributions in supporting organisational goals. This indicates that CREM executives need more effort to communicate its capabilities to the customers.

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