

# MASTER'S THESIS

# Brand Development in Small Service Company

*A case study at Infologigruppen*

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## **Confidentiality**

Chapter 5 Empirical data and chapter 6 Analysis are confidential until the 1<sup>st</sup> of March 2006.

## **Abstract**

Branding has today a central role in marketing. Branding has in theory been focused on brands of large corporations and consumer goods. The situation of branding in this study differs from the traditional view. In this case is branding studied from the perspective of a small company offering services for an industrial market. The key concepts of the study are identity, image and positioning. The aim is to find how the concept applies on a small company brand, but also how the company will benefit from the brand development. The study is limited to brands that already exist, excluding building of a completely new brand. The branding strategies considered means further development of a present brand with consideration to the existing customer relationships. The existing customer group has to be considered since the brand is already established.

The research approach is explorative and qualitative. The study is conducted by a case study at Infologigruppen, an IT-consultant firm located in Norrbotten. Infologigruppen is representative for the brand situation described above, a small local company offering industrial services. The research method is interviews from both identity and image perspective.

The results indicates that the theoretical benefits and advantages from branding can be applied only to a limited extent in this case, the brand is of most benefit in the communication with new customers. Functional positioning seems to have a great influence on the composition of identity and image. Further, brand development is in this case not limited by existing customer relationship in any significant way.

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# 1 Introduction

This chapter will present the reader with a background to the problem area, a discussion on important concepts and the research problem. The research problem is divided into research questions and limitations are presented.

## 1.1 Background

Brands are a central issue in marketing of today. The purpose of marketing is to discommodities the company's offer. If a customer perceives a company's offer to be the same as the competitor's offers the customer will select the cheapest product. (Doyle 1998, p 165). When customers perceive a brand as superior they will prefer it and also pay more for it. The branding of products is a way to differentiate from the competition.

For companies today one of the most important assets are their brands. The brand is not only what a company sells, it is what a company does and what a company is. Strong brands own a unique position in the mind of the customer. (Davis 2000).

A brand can provide many benefits for the customer. According to Davis (2000) is a brand representing a set of promises and implies trust, consistency and a defined set of expectations. The brand also reduces confusion and uncertainty. A good brand creates value for the customer, but can also accelerate awareness and acceptance when a new product is introduced (Rooney 1995).

### 1.1.1 History of branding

The exact origin of the word *brand* is diffuse. According to Lagergren (1998) is there a possibility that the word brand derives from the ancient nordic word "brandr", which means marking cattle to make it possible to identify their owner. Even if the Vikings invented the word brand is the concept much older. Objects of much older dates are many times marked, with a signature of the craftsman. In order to put an identifier on the objects without damaging it aesthetically, the craftsmen used initials, or a unique symbol (Dolak 2001). This symbol or signature showed the origin of the item and was also an assurance of quality. Lagergren (1998) argues that this is the base of any modern brand, a guarantee of quality.

The early forms of branding have little in common with the modern use of brands. The modern branding is still more than a hundred years old according to Rooney (1995). Already in the 1890s was brands protected legally by trademark acts in most countries (Rooney 1995), and since then have branding evolved as a major component of marketing strategy.

Brands are today regarded as a key asset in a company. The interest in the value of brands increased significantly in the 1980s in the wave of mergers and acquisitions of companies with brands by giants such as Nestlé, Philip Morris, Seagram, Lever and Proctor & Gamble (Kapferer 1997, p.21). Target companies with well-known brands were highly valued, even if the company had a negative cash flow. This separated the value of the brand from the income of the company. An example is Nestlé's acquisition of Rowntree for three times its value on the stock market and 26 times the earnings. (Kapferer 1997, p.23). The value and measurement of brand strength, brand equity, emerged in the early 1990s (Kapferer 1997, p.21).

The importance of studying and analysing brand value is increasing. The competitive environment is the main reason for an increasing interest in brand management according to Calderón, Cervera and Mollá (1997). The competition increases the costs for creating and managing brands.

## 1.2 Problem discussion

Branding is a wide area with many different perspectives and components. The first issue is to find a definition of brands and the components. Second, to discuss branding in the specific settings of this study.

### 1.2.1 Definition of brand

The different definitions of what a brand is, are numerous. The differences in definitions are according to Wood (2000) a result of different philosophies and stakeholder perspective. The brand concept can be defined from the brand owner's perspective or from the customer's.

Lagergren (1998) gives a customer oriented definition, claiming that brands are a guarantee of quality. Kapferer (1997) is also defining brand as quality assurance or contract, although, economic not legal. A wider definition is offered by Dolak (2001), "a brand is an identifiable entity that makes specific promises of value".

The *brand equity* concept is many times used to describe the relationship between customers and brands. The concept is used both in accounting and marketing, which leads to different meanings of brand equity (Wood 2000). Brand equity has according to Wood (2000) three different meanings:

- *Brand value*. The total value of a brand seen as a separable asset, when sold or included on a balance sheet.
- *Brand strength*. A measure of the strength of consumers' attachment to the brand, synonymous with brand loyalty.
- *Brand description*. A description of the associations and beliefs the consumer has about the brand, similar with brand image.

Wood (2000) present the relationship between the three interpretations of brand equity as a chain, figure 1.1.



Figure 1.1. The brand equity chain (Wood 2000).

The chain starts with brand description that is tailored for a specific target market using the marketing mix, product, place, price and promotion. The performance on this market determines the brand strength, loyalty. The value of a brand is determined by the loyalty since this guarantee future cash flows. (Wood 2000).

Aaker (1996, p.7) define brand equity as: "a set of assets (and liabilities) linked to a brand's name and symbol that adds to (or subtract from) the value provided by a product or service to a firm and/or that firm's customers". This definition shows that brands can provide both positive and negative effects. Another aspect of Aaker's

definition is that brand equity provides value for both the firm and the customer.

### **1.2.2 Components of branding**

Brand identity is a central concept in brand strategy. The identity describes the core values and provides direction, purpose and meaning of the brand (Aaker 1996, p.68). Brand identity is important in communications, it is the common element sending a single message, even if the brand covers a wide variety of products (Kapferer 1997, p.91). This means that customers still consider the brand as a single brand, instead of a several different product brands.

Image is the receiver's perception of the brand. The image is formed in the mind of the receiver and is therefore beyond control by the sender (Meenaghan 1995). The company can control the identity that is sent but not the image. According to Meenaghan (1995) this result in confusion in terminology, identity and image is many times used in the same way at corporate level. In short, identity is sent, and image is received/perceived (Meenaghan 1995).

Positioning is an important component in branding since it seeks to give the brand a position in the mind of the customer (Lagergren 1998). This also highlights that positioning refers to position in mind, perception, not a market position.

Positioning strategy is the selection of a target market and a choice of competitive advantage that will define how to compete in the selected market segment (Brooksbank 1994). Further, a positioning strategy is applied at the level of a specific product on a specific market and should not be confused with the concept of corporate strategy. Dwyer and Tanner (2001) are also placing positioning strategy at a product level and argue that multiple product-lines should be managed with different positioning strategies for each of the lines.

### **1.2.3 Brand strategy**

Companies trying to achieve a strong brand have a wide range of different strategies to choose from depending on the situation. Doyle (1990) divides branding strategy in two main categories, building or buying. To build and develop a brand is a long-term route to achieve brand strength with a high level of costs and risks involved. The acquisition route is faster and relatively less costly than building. Doyle (1990) points out that although acquisitions in theory are less risky, they many times fail to generate the planned long-term value. The primary objectives of the firm influence the decision between building and buying. Companies with primarily financial objectives, such as return on investment, are more oriented towards acquisitions. On the other hand, companies with primarily marketing objectives, such as market share, tend to build and develop brands. (Doyle 1990).

Brands have to be built and managed in order to great value for the company. Young & Rubicam's *Brand Asset Valuator*, describes the values brand generates with four dimensions, differentiation, relevance, esteem and knowledge (Young & Rubicam Inc. 2000). The Brand Asset Valuator is one the most ambitious attempts to measure brand equity, covering 450 global and 8000 local brands (Aaker 1996, p.304). Brands are built sequentially along the four dimensions, starting with differentiation. A new brand needs do be distinctive in the marketplace, differentiated from the competition. Brands that are fading usually start losing differentiation first. (Young & Rubicam Inc. 2000). The next step is to make the brand relevant to the customer. Niche brands

are usually strong in differentiation and weaker in relevance, but are still the brands with highest margin. A reason is that the relevance is low on the overall market, but high in the target segment. The third dimension is esteem, describing to what extent the customer's like the brand. Knowledge is the final element, which means that customers understand the brand and what it stands for. Knowledge cannot be gained by higher spendings or investments, it has to be achieved over time. (Young & Rubicam Inc. 2000).

#### **1.2.4 Branding services**

The service sector is today dominating the Western world. More people earn their living by producing services than manufacturing goods (Palmer 2001). Yet, there has been relatively little research on the role of branding in service marketing (Krishnan & Hartline 2001).

According to Dibb and Simkin (1993) branding in practice is used less in service marketing than for more tangible products. Branding is linked to the need to build customer loyalty to get a higher stability in sales. Brand loyalty in service marketing has traditionally been seen as less important. (Dibb & Simkin 1993).

The intangibility of services and the difficulties for customers to distinguish one service from another gives powerful reasons to build strong service brands. A strong brand helps the customer to identify the company's offerings. The role of branding has gone through changes in many sectors. The hotel industry is an example; branding was once regarded as insignificant, but is today highly important, with many strong brands like Holiday Inn. (Dibb & Simkin 1993).

The high perceived risk associated with service purchases highlights the importance of branding. High perceived risk-level cause the customer to seek further information before deciding on purchase. This information usually comes from three sources: internal, external word-of-mouth and external from the selling company. Internal information is the customer's earlier experiences of the product. External word-of-mouth information comes from individuals who have experiences of the particular service. External information from the selling company's efforts is usually advertising. Dibb and Simkin (1993) points out that word-of-mouth is of particular importance for services. Therefore it is essential for service companies to promote and reinforce their brand in a way that improves the likelihood of a positive word-of-mouth promotion. (ibid).

#### **1.2.5 Branding in industrial markets**

Branding is usually associated with consumer products, brands on industrial markets are many times neglected. Doyle (1998, p.165) regards brands as equally important in consumer as well as industrial markets. The reason for the lack of interest for brands in industrial markets is according to Morrison (2001) the common view that businesses use rational decision-making in buying based on quality, feature/functionality and price. This results in many companies neglecting branding efforts, considered to belong in consumer marketing. Further, the area of industrial branding is less developed in marketing than the consumer counterpart. This is unfortunate since branding is highly important in industrial markets. (Morrison 2001).

De Chernatony and McDonald (1998, p.147) points out a common distinction between consumer and industrial marketing. Consumer marketing aims for the end of the value

chain and focus on the consumer purchasing brands to satisfy their own personal needs or those of their family or friends. Industrial marketing is concerned with providing goods and services for organisations, which are not the final consumer. Industrial brands are still aimed at people, within an organisation, satisfying their needs and the organisation's. Emotional factors are still important, even if organisational buying is considered more rational. (de Chernatony & McDonald 1998, p.147).

According to Mudambi, Doyle and Wong (1997) is consumer-branding theory not directly translatable into an industrial context. Industrial brands add value for the customer in a more complex way than consumer counterparts. Considerations must be taken to industrial buying, buyer-seller relationships and industrial segmentation.

### 1.2.6 SME-Branding

Today the role of small companies is increasingly important. More than half of all employees in privately-owned companies in Sweden work for a company with less than 50 employees (Brytting 1998). Further, the percentage of employment within small companies seems to be increasing. Brytting (1998) points out two reasons, increasing number of small companies and rationalisations and down-sizing of large companies.

Small to medium-sized enterprises faces a different marketing situation than larger corporations. Gilmore, Carson and Grant (2001) use the limitations for small companies to explain the differences. The limitations are resources (e.g. finance, time, marketing knowledge), lack of specialist (owner-managers tend to be generalists more than specialists) and limited impact on the market place. Conventional marketing theory is not completely applicable on the situation of smaller firms. According to Gilmore et al. (2001) is SME marketing more likely to be haphazard, informal, loose, unstructured, spontaneous, reactive, built upon and conforming to industry norms.

Small companies are a very heterogeneous group. The organisational size does not determine the purpose and goals of the company. This wide range of organisations included in the SME-concept can still be categorised. Brytting (1998) classifies small companies in three categories, *child*-, *dwarf*- and *pygmy* companies. The classification is based on the company's ambition and possibility to grow.

*Child companies* are small because they are newly started. These companies are growing and will with time and the right resources expand beyond their present size.

*Dwarf companies* are small because of problems. A dwarf company is handicapped by its small size. This type of company needs to grow or otherwise re-structure in order to be competitive.

*Pygmy companies* are small because that is their most suitable size. Pygmy companies are not trying to grow. They are profitable and competitive in their present size. Expansion is usually qualitative since organisational growth is not desirable.

Brytting's (1998) categories give three reasons to explain why a company is small. The company is small because it is new, there is something wrong or the company is supposed to be small.

In marketing literature very little is written about brands of small firms. However, small brands are covered in the literature. A niche brand is strong within its market

segment, but small in absolute terms (Doyle 1990). Brands that fall into this category can be highly profitable without a large share of the total market. According to Doyle (1990) is it possible for a niche brand to receive a higher return on investment ratio than an overall market leader. Bergvall (2001) agrees that small brands can be successful within its own defined market. A small organisation can give advantages within the regional market. Small companies can be more flexible and creative since they are physically closer to the market (Bergvall 2001). Another advantage is the organisational structure that is flat in a small company, therefore simplifying decision-making processes (ibid). These advantages make it easier for a small organisation to manage and perform a consistent branding strategy compared to larger organisations (Bergvall 2001).

### **1.3 Research problem**

Branding is a very wide area that includes many different strategies. This extensive range of strategies will be narrowed in this study. The focus will be on strategy for development of already existing brands. This means that acquisitions of brands will be excluded from the research, purchasing brands is probably not a likely method for smaller firms. Another implication of this limitation is that building new brands is not included. The research is focused on existing brands and their development.

This study is primarily concerned with how to attract new customers rather than the issue of retaining existing customers.

The research problem is formulated as:

*“How to develop the brand of a small service company in order to attract new customers?”*

### **1.4 Research questions**

The research problem is too wide to be studied directly. Therefore are research questions created that will cover the research problem.

The first issue is finding benefits and advantages of brand development. Before a company invests time, money and work into branding activities there has to be benefits to gain. As mentioned earlier, brands can be examined from two different perspectives, the firm's and the customer's (Wood 2000). The benefits of branding can also be divided according to these perspectives. Customers can perceive benefits of a strong brand as well as the company. This research is conducted from a company perspective, but this does not mean that benefits for customers are excluded. Benefits for the firm can be seen as direct benefits, whereas direct benefits for the customer can be seen as indirect benefits for the firm. As mentioned above, the marketing situation is different for small companies and effects of branding might also apply in a different way. The benefits from the brand have to be examined in the situation described in the research problem. The first research question examines how different benefits, both direct and indirect, applies on brands of small service firms.

**RQ 1:** How can the benefits obtained from brand development be described?

Identity and image are concepts with key roles in any brand. Identity and image describes a brand from different perspectives, identity is the brand owner's perception of the brand and image is the target group's perception. The identity precedes image in brand management, because the company needs to have a clear identity before it

can be communicated to a target group (Kapferer 1997, p.94). Further, the identity is important since it defines the purpose and meaning of the brand (Aaker 1996, p.68). Image, on the other hand, is the receiver's (usually customer) perception of the brand. The result of the communicated identity after it has been received and decoded is image (Kapferer 1997, p.94). Identity and image are critical factors in brand management and development and must be considered. The second research question deals with how identity and image are utilized in development of brands.

**RQ 2:** How can identity and image be utilized in brand development?

Image refers to the customer's perception of the brand, or the brand's position in the customer's mind. Positioning is closely linked to image, since its purpose is to create an image. This is achieved by selecting a target group and a competitive advantage to use in this market segment (Brooksbank 1994). The role of positioning can be specified as transferring the identity into an image in the mind of the customer. The third research question deals with the role of positioning in branding and how it can be utilized to develop a brand.

**RQ 3:** How can the role of positioning in brand development be described?

Altering identity, image or positioning can affect relationships with the existing long-term customers, even if the branding activities are aimed at attracting new customers. The effect can be direct; the new brand personality does not fit the existing customer group (van Mesdag 1997). The new customers attracted to the company because of the brand development, can be of a different market segment. There is of course a risk that the new customers change the image that the existing customers have. This effect is not necessarily negative, but has nonetheless an impact on how the brand can be altered. The fourth and final research question deals with the restriction that existing customer relationships put on brand development.

**RQ 4:** How are relationships with existing customers affected by the development of the brand?

## **1.5 Delimitations**

The study will only cover brands in the industrial market. Consumer brands will not be included in the research.

The research problem points out new customers as the focus of the research. Strategies and activities that aim at retaining existing customers will not be included. However, relationships with long-term customers is still a consideration for the brand development, the new brand strategy should not damage the relations to these long-term customers.

Only already existing brands will be studied. The purpose of this paper is not to study the process of creating logotypes and brand names.

## 2 Theory

The purpose of the theory chapter is to provide theories and models that can be used when answering the research questions. Theories are presented in the same order as the research questions in the introduction.

### 2.1 Service brands

The difference between goods and services is usually explained with five criteria, separating good and services (Palmer 2001, p.15-20).

- *Intangibility*. Services cannot be examined directly before purchase.
- *Inseparability*. Production and consumption is simultaneously.
- *Variability*. Services are heterogeneous and difficult to standardise.
- *Perishability*. Services cannot be stored.
- *Ownership*. The service itself cannot be owned.

These criteria have been criticised, whether they are applicable for services or any product. According to Gummesson (1991) is the major difference that the customer enters the production process earlier. Manufactured goods are usually produced completely before the customer is involved. Services require that the customer participate in the production process already at an early stage.

#### 2.1.1 Categories of service brands

Service brands differ from goods brands, but there are also a wide variety of service brands. A number of different ways to categorise service brands are provided by de Chernatony and Segal-Horn (2001).

Customer involvement is a common way of categorising service brands. In the case of goods brands is the value to a high extent controlled by the manufacturer. For services is value dependent on an interaction between staff and customer, resulting in less easily definable values.

Duration of consumption can be used to classify service brands. This variable ranges from services that are consumed instantly at the point of delivery, like restaurants, to services that are consumed over a long time, like education and health care. Consumption over a long time span creates a challenge in providing a service with consistency over time.

Brands can be categorised by the extent to which they rely on functional and representational (emotional) values. This can be visualised in a two-dimensional matrix (figure 2.1) with emphasis of functional and representational values as axes.

Emphasis on representational values	High	Co-operative Bank	Disney The Body Shop
	Low		Kwik-Fit IKEA
		Low	High

Emphasis on functional values

*Figure 2.1* Representational vs Functional Matrix (de Chernatony & Segal-Horn 2001).

Another matrix provided by de Chernatony and Segal-Horn (2001) divides service brands by the possibility to achieve economies of scale through standardisation and the degree of committed relationship, figure 2.2. A typical example of highly standardised services with low degree of personalisation is airlines, which results in little commitment to the relationship. The conclusion from this categorising is that brands usually emerge in the sector of services where it is possible to achieve economies of scale by standardising repetitive human tasks.

Scope for economies of scale by standardising repetitive tasks	High	Airline	
	Low		Personal trainer
		Low	High

Committed relationship

*Figure 2.2.* Economies of scale vs relationship matrix (de Chernatony & Segal-Horn 2001).

A difference between goods and service brands is the time it takes for customers to form a preference for the brand. Goods brands tend to evoke preferences within a relatively short time. Service brands on the other hand are assessed over a longer time.

## **2.2 Benefits of branding**

This section will provide a theoretical framework for the first research question. The possible benefits of brands are presented to give a more systematic view of this issue.

### **2.2.1 Values of a successful brand**

Brands are not necessarily successful because they are well recognised. According to Doyle (1990) are brands perceived either positive or negative. A brand can be strong and still negative. British Telecom was in a survey rated high in awareness but low in terms of customers' preference, an example of a strong negative brand (Doyle 1990). Doyle (1990) defines a positive or successful brand as: "a name, symbol, design or some combination, which identifies the product of a particular organisation as having a sustainable differential advantage".

Differential advantage means that customers have a reason for preferring the brand instead of a competitor brand. Sustainable means that the advantage is not easily copied by competitors. The business creates barriers to entry, for example by developing an outstanding reputation or image for quality, service or reliability. Brands like Coca-Cola, IBM and Sony are successful because they have this sustainable competitive advantage (ibid). According to Doyle (1990) are successful brands always the brand leaders of their segments.

Successful brands are valuable because they can generate a stream of future earnings. Doyle (1990) divides the positive effects of successful brands in the following components.

#### **2.2.1.1 Market share and profit**

A successful brand is one that customers want to buy and retailer wants to stock. This gives the brand a high market share. Brands with high market share are more profitable than brands with less market share. Profitability is linked with market share, the leader of the segment is the most profitable. In the UK grocery market is the number one brand generating over six times the return on sales of the number two brand. (Doyle 1990).

#### **2.2.1.2 Niche brands**

The conclusion above does not mean that a successful brand has to be large in absolute terms. It is the market share that is the key to performance. Profit is usually higher for the number one brand in a small segment than number three in a huge market. The return on investment can many times be higher for a strong brand in a niche market than a strong brand in a big market. The reason for this is that competitive threats and retailer pressure is stronger in a large market and therefore holding back profits even for the top brand. (Doyle 1990).

#### **2.2.1.3 Prices**

The differential advantage of successful brands is usually making them able to obtain higher prices than less successful brands. Strong brands can resist pressure to offer discount and in this way generate a higher profit. (Doyle 1990).

### 2.2.1.4 Brand loyalty

Calderón, Cervera and Mollá (1997) define loyalty as the grade of attachment between the customer and the brand. Successful brands generate a higher customer loyalty. Attracting new customers is always more expensive than to hold existing customer, because of advertising, promotion and selling costs. New brands and unsuccessful brands must attract new customer that lowers the net margin. (Doyle 1990).

Strong brands have an ability to override temporary problems that could damage or even destroy weaker brands. If the company occasionally fails to provide the right quality it does not damage the customers loyalty. (ibid).

To some extent a brand can rely on habits of the customer. Customers keep buying a satisfactory brand. Even if the purchase is non-repetitive and customer has no experience of the brand, he or she has a perception of brands and are many times reluctant to try an unknown brand. Doyle (1990) refers to the classic quotation of an IBM salesman “nobody’s ever been fired for buying IBM”.

### 2.2.1.5 Common products, unique brands

The competition of today can quickly copy advances in products or technology. Competitors can easily copy a soft drink formula or a PC specification, but the brand personalities of Coca-Cola and IBM cannot be copied. The best strategy for building profitability and growth is to focus on brand differentiation, rather than cost and price. The best strategy in theory is both low cost and high differentiation. In practice it is usually worth to achieve a strong differentiation at the expense of low cost. (Doyle 1990).

### 2.2.1.6 The brand growth direction matrix

The product life cycle describes how products peaks and eventually dies as its markets mature and become replaced by new technologies. The product life cycle is referring to products not brands. Brands can adapt to new technologies and make the transition from a mature market to a new growth market. The brand growth matrix shows the available growth opportunities (Figure 2.3).

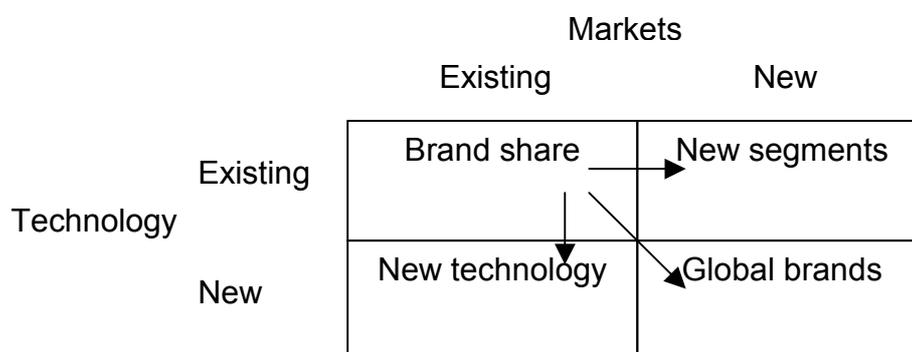


Figure 2.3. Brand growth matrix (Doyle 1990).

Initially is the strategic focus on brand share. However, in order to keep the brand successful there must be a shift in strategy to incorporate new technology, move into

new market segments or into global branding. Growth based on continuous development of successful brands is more secure than growth based on new untried products where failure rates can be as high as 95%. (Doyle 1990).

### **2.2.1.7 Difficulty of competitive positioning**

The brand leader is in a strong position to fend off attacks from competitors. First, the leading brand has the financial strength, from market share and higher profit margins. This advantage should enable the leading brand to use aggressive promotion and innovation to outgun competitors. Second, retailers are always reluctant to add new brands as long as the brand leader satisfies retailers and their customers. Third, the brand leader can exploit its superior position in advertising. (Doyle 1990).

In order to dethrone a successful brand there has to be a major strategic window or a substantial under investment in quality and brand support. (ibid).

### **2.2.1.8 Motivating stakeholders**

Companies with strong brands find recruitment easier than other brands. People want to work with companies that exhibit success. Brands also increase awareness and understanding of the company among the shareowners. Successful brands can help in getting support from local authority and governments. (Doyle 1990).

### **2.2.2 Leverages of brand profitability**

The benefits of brands are not always direct, such as increased sales. Good brands can give positive effects that are more indirect. Kapferer (1997, p.32) describe how investments in brands create profitability, Figure 2.4. The resources of the company are invested in productivity, marketing and distribution. Investments in productivity set the objective quality level and the costs for quality. Investments in communication create brand awareness. Marketing investments adapts the brand for the market in combination with productivity and distribution efforts. (Kapferer 1997, p.32-34).

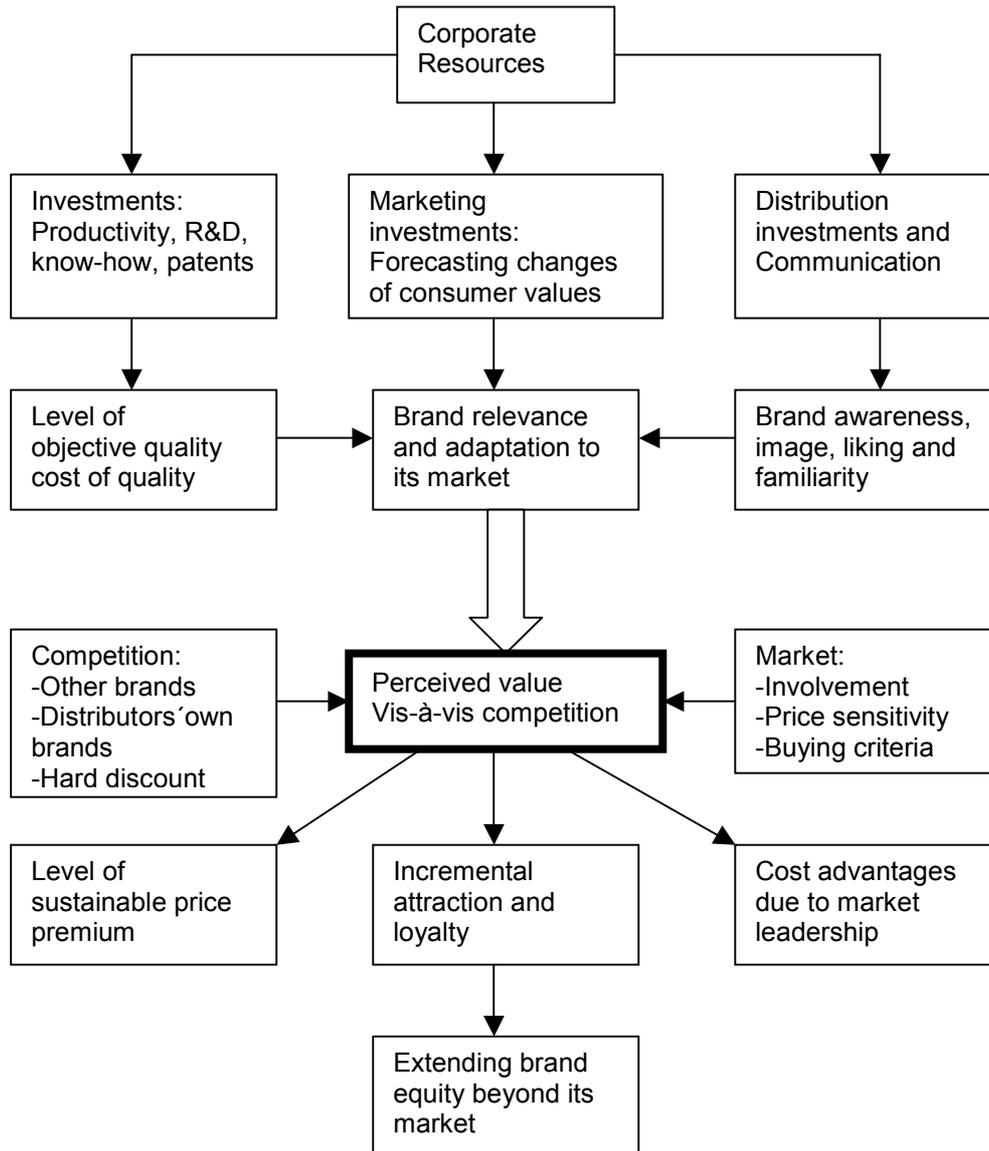


Figure 2.4. The leverages of brand profitability (Kapferer 1997, p.33).

The result of all these investments is a perceived value by the customers compared with the competition. An increase in the perceived value generates profit in three different ways. The level of sustainable price premium is set by the perceived value. Loyalty and attraction is increased. Finally, the strong perceived value can put the brand in a market leader position. A market leader can use the advantage to cut costs. There is also an opportunity to extend a strong brand beyond the present market. (Kapferer 1997, p. 34). Both Kapferer (1997) and Doyle (1990) value brands in a market share context. Kapferer (1997) define a strong brand as providing high perceived value compared with the competition and the cost advantage benefit is from a market leader position. Doyle (1990) takes the market share issue one step further and claims that a successful brand always is the market leader of its segment.

### 2.2.3 Building successful brands

Brands are usually not built on advertising. A successful brand is built upon quality, service, innovation and differentiation (Doyle 1990). These four components of brand development are described by Doyle (1990) in the following way:

1. *Quality is number one.* The most important determinant of brand strength is perceived quality. Brands with a high perceived quality are more profitable than low-quality brands. Quality generates higher margins in two ways. First, quality generates market share, which results in economies of scale. Second, quality creates a differential advantage, which permits a higher relative price.
2. *Build superior service.* Successful brands rely on a sustainable differential advantage. Service might be the most sustainable differential advantage. Goods are relatively easy copied by competitors. Service depends on training, attitudes of employees and organisational culture, which is much more difficult to copy. Brands like McDonald's, Singapore Airlines and Federal Express are all based on service.
3. *Get there first.* One of the most common means of building a strong brand is to be first in the market. Being first does not mean technologically first, but first in the mind of the customer. IBM, Kleenex, Casio and McDonald's have not invented their products. However, they were first to build brands out of the product and bring it to the mass market. It is much easier to build a strong brand in the mind of the customer when there are no established competitors in the market. Therefore are pioneering brands usually more profitable than late entrants. Being first can be achieved in five different ways: exploiting new technologies, new positioning concepts, new distribution channels, new market segments and exploiting gaps created by sudden environmental changes.
4. *Look for differentiation.* The main principle when building brands is to invest in markets with high differentiation or differentiation can be created. In a highly differentiated market, different segments are looking for different attributes in the product. Both the big powerful brands and the niche brands can make earn high profits on a differentiated market. Brands like IBM and Coca-Cola are usually seen as high-quality brands in most of the segments and get an overall market share. Niche brands can instead earn high profits by being highly preferred in one segment, although the overall market share is low.

Brands are not based on advertising, but advertising still has an important role in brand building. Doyle (1990) identifies two functions of advertising. First, advertising accelerates the communication process. Advertising speeds up the process of creating awareness and interest. A brand can be built entirely on word-of-mouth, customer experience and presence in the market, but the process of building the brand would take time, in most cases too much time. Because of competition, few companies have the time to build brands without advertising. Secondly, advertising positions the brand's values in a way that appeals to the target customer and also increases confidence in the choice process. (ibid).

## 2.3 Identity and image

Identity and image are two main concepts in branding. They refer to the brand from different perspectives, brand owner and customer.

### 2.3.1 The brand identity prism

Kapferer (1997, p. 99) provides a model that describes brand identity with a hexagonal prism. A brand's identity can be described with a six-facet prism. The facets represent components of the brand identity, which are interrelated in a structured entity. Figure 2.5 visualises the components of brand identity.

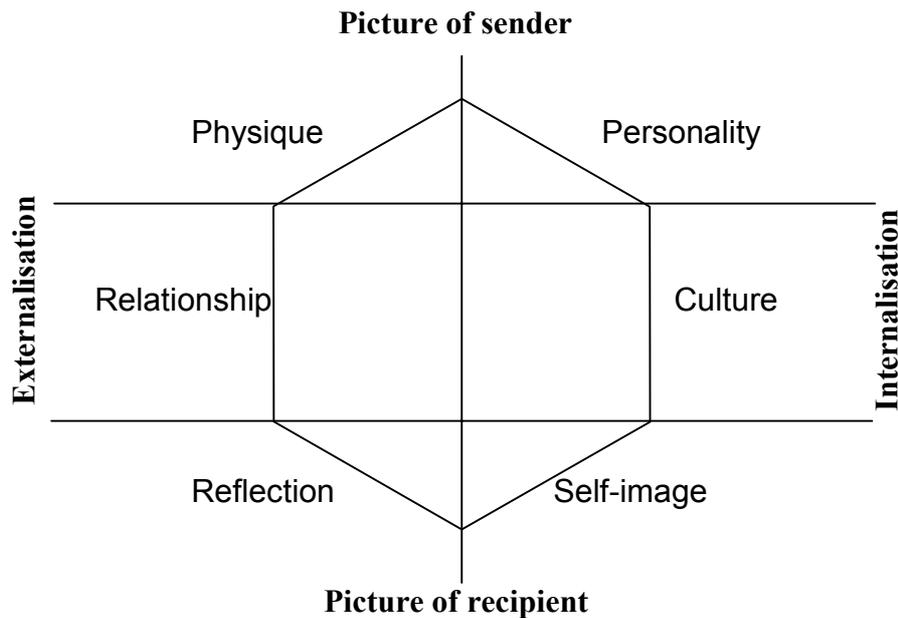


Figure 2.5. Brand identity prism (Kapferer 1997).

1. *Physique*. A brand's physique is both the brand's backbone and tangible added value. Traditional communication focuses on the key product and brand attributes. The first step in developing a brand is to define its physical aspect: What is it concretely? What does it do? What does it look like?
2. *Personality*. A brand has a personality of its own. Brand personality shows what kind of person the brand would be if it were human. When the brand is communicated it builds character. Personality has been an important factor since the 1970s. A method to quickly give the brand a personality is to give the brand a spokesperson. The spokesperson can be either real or fictional.
3. *Culture*. A brand has its own culture. The products represent the culture of the brand and are also a means of communicating the culture. The culture of the brand is linked to the corporate culture. The cultural link between brand and firm is strongest when the brand has the same name as the company. Country of origin is another important source for brand culture. Country of origin can be either denied or emphasised. Canon and Technics are Japanese brands that

deny their origin when Mitsubishi and Toyota emphasise theirs. The cultural facet is the most important facet when differentiating luxury brands.

4. *Relationship*. Brands are often central in transactions and exchanges between people. Brands symbolises the relationship with customers. IBM symbolises orderliness and Apple symbolises friendliness. The relationship facet is crucial for service brands, since relationships are critical for services.
5. *Reflection*. Brands reflect the user or purchaser. The reflection is an image of the customer as he or she wishes to be seen as a result of using the brand. Reflection is many times mixed up with target. Target describes the potential customers, as they are. Reflection describes the customers as they wishes to be seen. Reflection is important since customers uses brands to build their own identity.
6. *Self-image*. A brand speaks to the customer's self-image. Reflection is the outward mirror of the customer, self-image is the customer's own internal mirror. A customer's self-image can differ from the reflection. Customers who buys a Porsche, might do so only to prove to themselves that they are capable of buying such a car.

The brand identity prism form a structured entity where all six facets are interrelated. A basic concept in the prism is that brands speak. Brands can only exist if they communicate. The physique and personality facets provides a picture of the sender, the company. In the same way is reflection and self-image giving a picture of the receiver. Relationship and culture bridges the gap between sender and receiver.

The prism is also divided vertically. The left facets, physique, relationship and reflection are the social facets that give the brand its outward expression. These are the visible facets. The right facets, personality, culture and self-image are incorporated in the brand itself.

### **2.3.2 Four brand identity perspectives**

Brand identity is by Aaker (1996, p.78) divided into four perspectives that gives a detailed view of the identity concept. The perspectives view brands as: a product, an organisation, a person and a symbol. For every brand all of the perspectives should be considered. However, not all of them have to be integrated in the brand identity, in some cases only one is appropriate. Aaker (1996) describes the perspectives as follows:

#### **2.3.2.1 The brand as product**

Product related associations are usually an important part of a brand's identity since they are directly linked to the choice decisions and the use experience. Brands are normally associated with a product class. Examples, Visa is associated with credit cards and Compaq with computers. The goal of linking a brand with a product class is not gain recall of a product class when the brand is mentioned, but the opposite, to have the brand recalled when the product class is mentioned. It is not important to have people respond "rental cars" when Hertz is mentioned, the goal is to get Hertz mentioned when a rental car is needed. (Aaker 1996, p.80).

Brands can also be associated with attributes linked directly to the product. Product attributes should, however, not be the focus of identity efforts since there is a risk that

perspectives that can add value are excluded. Quality is an important product related attribute. Quality has a different role in the competition of different markets. At some markets is quality the main element in competition, the one with highest quality wins. At other markets a minimum quality level is needed to stay in competition. (Aaker 1996, p.81).

A particular use or application can be associated with the brand and in the same way can the brand be connected with a type of users.

Brands can be associated with countries or regions that will add credibility. Country of origin is widely used to imply that the product will provide higher quality since the country or region is considered to be the best in the product class. (Aaker 1996, p.82).

The brand as product perspective is similar to the physique-facet in Kapferer's (1997) brand identity prism, both deals with the tangible parts of the brand.

### **2.3.2.2 The brand as organisation**

The brand as organisation perspective focus on attributes of the organisation rather than product specific attributes. Organisational attributes can be, innovation, a drive for quality or environmental concern. These attributes are created by the people, values and programs of the company. Organisational attributes are more sustainable than product attributes. Competitors can relatively easy copy a product, but copying an organisation is much more difficult. Organisational attributes many times apply to several product classes and a competitor in one product class may find competition difficult. (Aaker 1996, p. 82-83).

A corporate brand like Sony or Siemens does not necessarily need to have organisational associations as a part of the brand identity. However, it can be beneficial to include organisational associations in the corporate brand. First, a corporate brand represents an organisation with people in design, production and consumer contact. This makes it natural to focus on organisational values, employees, programs and assets of the organisation. Second, companies are usually involved in many different product classes. Siemens has its name on 100000 products around the world. Organisational associations like innovation or quality can be applied over all these products. (Aaker 1996, p.116).

The brand as organisation perspective has some similarities with the culture facet in Kapferer's (1997) brand identity prism. Kapferer (1997) refers to the corporate culture has a source of culture for the brand. Ind (1997, p.3) separates corporate brands from brands in general. Corporate brands is a distinct area because of three core attributes, intangibility, complexity and responsibility. A corporate brand is far more intangible than a product brand. The level of complexity is higher because companies can include several decision making bodies, numerous operating divisions, large numbers of products and thousands of employees. This makes control very difficult. Companies can even have several different cultures. Corporate brands have a broader social responsibility than a product brand. A company is not independent of the society in which it operates. It relies on the goodwill of the employees, the local communities, governments and the customers. (Ind 1997, p.4-12).

### **2.3.2.3 The brand as person**

The brand as a person is a perspective that can make the brand identity richer and more interesting than the product perspective alone. Like a person, brands can be perceived as being competent, impressive and trustworthy and many other attributes. Brand personality can strengthen a brand in several ways. First, a brand personality can create a self-expressive benefit for the customer to express his or her own personality. (Aaker 1996, p.83).

Second, just as human personalities affect relationships between people, brand personality can set the relationship between the brand and the customers. As an example, Dell Computers might be a professional who helps with tough jobs.

Third, a brand personality can help to communicate product attributes and functional benefits. For example, the Michelin man's strong and energetic personality, suggests that Michelin tires also are strong and energetic. (Aaker 1996, p.84).

Both Aaker (1996) and Kapferer (1997) include personality in the brand identity. The difference is that Kapferer (1997) include personality as a component of identity and Aaker (1996) creates a perspective of the identity.

### **2.3.2.4 The brand as symbol**

A strong symbol can structure an identity and make it easier to gain recognition and recall. A symbol can be a key ingredient in the brand development. Anything that represents the brand can be a symbol, a person like Bill Gates for Microsoft, a design like the Beetle for Volkswagen. Symbols can be visual imagery, metaphors and brand heritage. (Aaker 1996, p.84).

Symbols that involve visual imagery can be memorable and powerful, like Nike's "swoosh", McDonald's golden arches and the Mercedes-Benz emblem. Connections between the symbol and the identity have been built up over time and capture much of the brand identity. It takes just a glance at the symbol to be reminded of the brand. (ibid).

Symbols are more meaningful if they involve a metaphor, with the symbol or its characteristics representing a functional, emotional or self-expressive benefit. Examples, Michael Jordan's leaping ability for the performance of Nike, and the Energizer bunny for long battery life. A meaningful heritage can sometimes represent the values of a brand. Amtrak relates to the experience of first-class travel and Starbucks coffee has a link to the first coffeehouse in Seattle. (Aaker 1996, p.85).

Moorthi (2002) combines Aaker's four perspectives (figure 2.6) with the 7Ps of service marketing. This extended model provides a service marketing point of view to brand identity. The 7Ps of service marketing are the 4Ps from traditional marketing (product, price, place and promotion), and three additional Ps that separates services from goods (physical evidence, process and people).

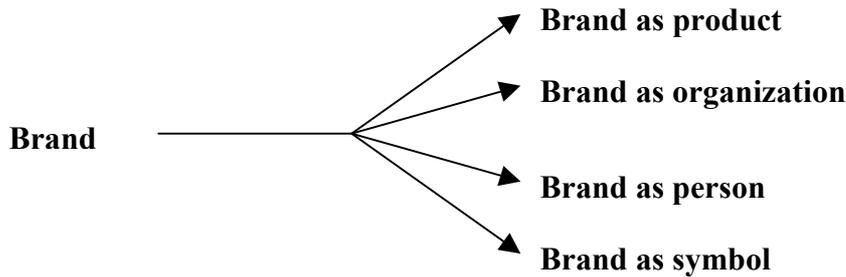


Figure 2.6. Aaker's brand identity model (Moorthi 2002).

Moorthi (2002) adds an additional brand as process perspective to Aaker's model, see figure 2.7. Product, price, place, promotion and physical evidence are all placed in the brand as product perspective. Process is placed in the additional brand as process perspective and people is placed in the brand as organisation perspective. (Moorthi 2002).



Figure 2.7. Service branding model (Moorthi 2002).

### 2.3.3 Brand origin

In Kapferer's (1997, p. 99) brand identity prism is country of origin included in the culture facet as a source of brand culture. Aaker (1996, p.82) also includes country of origin, but as a product related attribute. The country of origin is not necessarily the same as brand origin. Thakor and Kohli (1996) provide a more complex view on origin cues for brands, a distinction between country of origin and brand origin. Country of origin is on product level and communicates the location of manufacturing. This is the message provided by the "made in" label. Brand origin, on the other hand, refers to the integration of origin cues into the brand image. The difference between the two concepts is obvious when considering customer perception. The brand does not change nationality just because the product is manufactured in a new country. An example, the customer still considers Honda to be a Japanese car even if the car itself is manufactured in the US. (Thakor & Kohli 1996). Brand origin is defined by Thakor and Kohli (1996) as: "the place, region or country to which the brand is perceived to belong by its target consumers".

### 2.3.3.1 Strategic use of brand origin

Origin cues can be communicated to customers in many different ways. Thakor and Kohli (1996) present the following ways to integrate origin cues to the brand image.

- *Symbolic, functional and usage-situation based images.* Brands that are based on a symbolic image communicate more abstract concepts such as status, luxury and similar. Functional and usage situation based brands will rely on communication of more specific features and attributes. The usage of origin cues will differ between the two types of appeals. Origin cues will be used implicit if the brand is relying on a symbolic image. Brands with a functional image will have more explicit origin cues.
- *Explicit uses.* Mostly used to give the brand a nationality. This is usually done when the country involved is considered to possess some natural resource or expertise that the brand can benefit from being associated with. This kind of national level cue is heavily emphasized in beer and vodka advertising, although, used in many other product categories. The examples are numerous Heineken (Netherlands), Absolut (Sweden) and Stolichnaya (Russia). Examples in other categories are Swissair and German cars (e.g. BMW, Volkswagen) where the origin cues are explicitly used. Sometimes to the extent that German words are used.
- *Implicit uses.* Origin cues can be used in a more implicit way. There is a range of different methods to communicate origin implicitly. The styling of the product and package can be used to emphasize the origin. Pronunciation of the brand name is many times used by French companies to communicate their origin. The retail outlet can be designed to reinforce origin image. An example, Infiniti dealerships in the US is designed with unique Japanese elements to signify the Japanese attributes of the product. The corporate brand can also provide origin cues. Japanese companies usually rely on the corporate brand instead of creating individual brands for each product line. The reason is many times that the corporate brand has a stronger brand origin.
- *The origin of global brands.* Brand origin has implications even on brands considered to be global. Coca-Cola may be considered a global brand, but can also be seen as an American brand with an international image. The brand still has an American core that is important to the image. Thakor and Kohli (1996) argues that there might exist a “default” origin for brands, based on where the business first started. Brands like Honda and Toyota are widely regarded as Japanese even when the products to a large extent are produced elsewhere, in the US for example.

Brands can adopt an origin, but Thakor and Kohli (1996) claim this to be a risky action and identify two types of risk. First, there are legal implications, some geographical areas have legal protection. The French government are fiercely protective of the right to use terms like champagne, cognac and armagnac.

Second, brands that seek to associate themselves with favourable countries or regions may be vulnerable to counter-attacks if their claims can be shown to be false. A good example is when Stolichnaya vodka could discredit competitors who implicitly claimed to be Russian by running an ad campaign showing that brands like Smirnoff

and Wolfschmidt were in fact produced in the US. These brands were damaged by the obvious gap between implicit promised origin and the actual place of manufacture.

## 2.4 Identity and image

There are two different points of view when analysing brands, identity and image. Kapferer (1997, p. 94) connects identity and image in a model, which also includes disturbances between sender and receiver, referred to as noise. Identity is on the sender's side. The purpose of identity is to define the brand's meaning, aim and self-image. The identity precedes image in brand management. Before an image can be projected onto the target group, the sender must decide what to send and how to send it. Image is the result of decoding message, extracting meaning and interpreting signs. These signs have two possible sources, brand identity and extraneous factors (noise), which speak in the brand's name, but are disconnected from it, figure 2.6. (Kapferer 1997, p. 94).

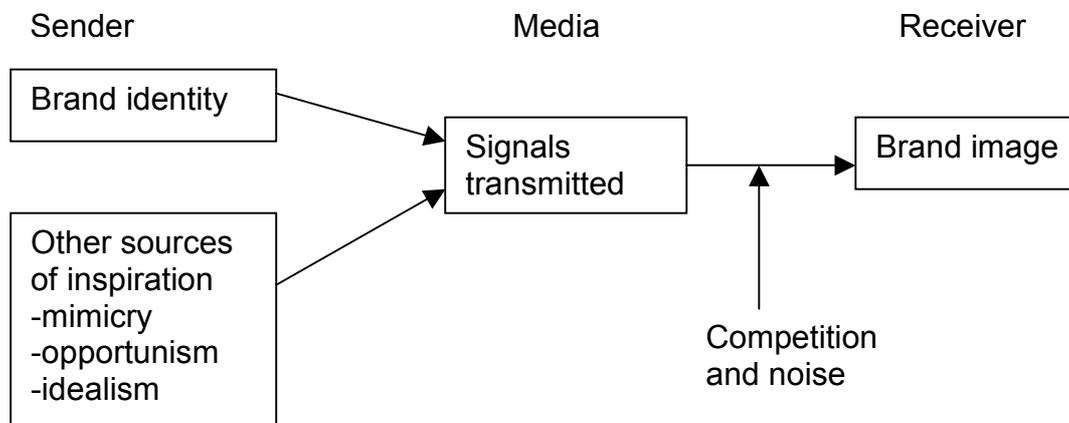


Figure 2.8. Identity and image (Kapferer 1997, p.95).

Kapferer (1997, p. 95) identifies three communication glitches, mimicry, opportunism and idealism. These glitches result from unclear identity or messages with wrong identity that creates confusion.

Mimicry means that the company is unaware of their brands identity and chose to mimic the competitors. This means that the company is only imitating the competitors marketing communication.

Opportunism refers to a company, which is only focusing on the image. The brand is popularity-seeking and the company tries to follow trends in order to meet the expectations of the public. The identity is not considered and the brand has no meaningful substance.

Idealism occurs when the brand has a fantasised identity, the brand, as the company would like to see it. The company does not perceive the brand as it really is. There is a risk that communication with the audience creates confusion and rejection.

Kapferer (1997, p. 95) concludes that brands over time gain their independence and their own meaning, even if they started as product names. Brands can over time define their own area of competence, potential and legitimacy.

## 2.5 Positioning

Dwyer and Tanner (2001, p. 151) define positioning as “a loosely used term that generally refers to marketing efforts to secure a valued categorization in the mind of a customer”. Positioning must be focused on the key criteria of the segment. Multiple product lines is usually reflected in multiple positioning strategies, because it strains credibility if a single product is best across the diverse criteria of several segments (Dwyer & Tanner 2001, p. 151).

### 2.5.1 Functional and symbolic positioning

Brand image concepts can be divided into two major categories, functional and symbolic brands. Bhat and Reddy (1998) describes the concepts as satisfying different needs. Functional brands satisfy immediate and practical needs. Symbolic brands, on the other hand, satisfy symbolic needs like self-expression and prestige. The practical usage in case of symbolic brand is only incidental. (ibid).

The symbolic and functional are not two ends on a range of brand concepts, but two distinct separate concepts. The functionality and symbolism of a brand are not contradicting each other; a brand can be both functional and symbolic. This means that a brand can be positioned both functionally and symbolic without causing confusion to the customers. (Bhat & Reddy 1998).

Although the functional and symbolic concepts are separate, is positioning involving both concepts difficult. Bhat and Reddy (1998) argues that associations of the both concepts have to fit well. Otherwise there is a risk that the brand is perceived as neither functional nor symbolic.

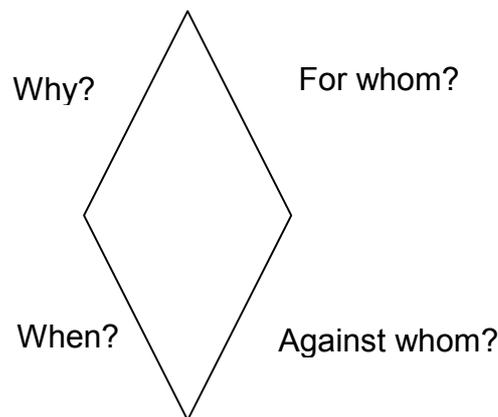
According to Bhat and Reddy (1998) does brand symbolism not necessarily have to be linked with prestige or exclusivity. In some cases is a marketing mix that shows how the brand can be used to express the customer’s personality a cheaper, easier and more effective strategy than positioning based on prestige and exclusivity. Examples of brands that have been successful with this approach are Dr Pepper and Volkswagen Beetle.

### 2.5.2 Brand positioning decisions

Positioning aims at emphasising the distinctive characteristics of a brand that makes it different from its competitors and appealing to customers. Kapferer (1997, p.96) present four questions to base the positioning decisions upon.

- A brand for what? This refers to the promises and benefits of the brand. For example, Volkswagen is reliable and Twix gets rid of hunger.
- A brand for whom? This question refers to the target customer for the brand.
- A brand for when? Refers to the occasion when the product will be consumed.
- A brand against whom? The competition of today makes it important to consider competitors when positioning brands. Further, the brand will also be compared against competitors.

The four positioning questions are illustrated in figure 2.9. The customers decision is based on comparison, which highlights the importance of differentiating from competitors.



*Figure 2.9. Brand positioning (Kapferer 1997, p.97).*

The positioning process is according to Kapferer, a two-stage process:

1. Indicate to what category the brand should be associated and compared.
2. Indicate what the brand's essential difference is compared to the other products and brand.

Choosing category is a critical step, easy for products like toothpaste, but difficult for products that are more unique and original.

### **2.5.3 Positioning services**

Positioning aims at distinguishing the offers of a company from the competition and in that way achieve a competitive advantage. Palmer (2001, p.180) describes positioning of services with three basic steps.

1. Identifying the organisation's strengths and the opportunities of the marketplace to be exploited. Strengths such as customer familiarity can be used as an advantage when positioning new services. The existing position should be considered when positioning towards a new segment. An example, a high quality/price service provider risk tarnishing the present brand values by entering a low price segment.
2. Evaluating the position possibilities and selecting the most appropriate. The possible position alternatives are evaluated on basis of their suitability. Alternatives can be discarded because they result in uneconomically small segments, inconsistency with brand image or too high development costs. The final decision should be based on the greatest differential advantage in areas which are most valued by the target customers.
3. Developing the marketing mix and establishing in the eyes of target customers the position that has been adopted. The organisation must develop programmes to implement and promote the adopted position. Positioning in service industry differs from manufactured goods in that the production of the service is an important element of the positioning process.

Services can be positioned either on a stand-alone basis or as a part of the service provider's total range of services. The service organisation as a whole can be positioned. This approach is many times the most suitable since customers usually

evaluate the service provider at least as much as the service itself. (Palmer 2001, p.182).

#### **2.5.4 Positioning in specialised industrial markets**

Specialised products on industrial markets require extensive marketing efforts. Doyle and Saunders (1985) claim that companies historically focused on basic commodities face problems when switching to more specialised products, usually in an attempt to increase growth and profit. Specialised products requires skills in marketing, specially in segmentation and positioning, that is not needed to the same extent on a commodity market (Doyle & Saunders 1985). Doyle and Saunders (1985) present the following seven step-procedure for segmentation and positioning:

1. *Defining objectives.* Management needs to define its market and financial objectives over a three to five year horizon. Objectives should be quantitative and realistic. Market share objectives are important since they influence the segmentation and positioning strategies.
2. *Determine market segments.* A market segment in consumer marketing is defined as a group of consumers with homogenous needs. This definition is usually not applicable in a specialised industrial market, where situation specific variables are more relevant than general customer characteristics. The buyer will often purchase multiple specialist products from a wide range of suppliers. In this kind of market is it usually more relevant to segment by product benefits than customer.
3. *Evaluate attractiveness of alternative segments.* When the segments have been identified, management will have to evaluate the opportunities they represent. Product based segmentation usually makes it easier to estimate size and growth rates of the segments. The analysis of competitor's goals, strategies and capabilities can be more complex, this analysis will determine the competitor's ability to defend their positions. Finally, the company will have to match their own technical and marketing capabilities with the requirements of different segments.
4. *Select target market(s).* Speciality markets are heterogeneous and success is rarely achieved by undifferentiated strategies or overall cost leadership. Focused strategies are usually needed. The number of segments the company can compete in depends on its overall share goals, the flexibility of manufacturing and the heterogeneity of the buyer's needs.
5. *Develop a positioning strategy.* After the target market has been selected, management will have to decide how to compete in this segment. The positioning should be sustainable and not easily matched by competitors. Production oriented managers often underestimate the importance of developing competitive advantage, to profitably gain market share.
6. *Develop the marketing mix.* This step deals with the implementation of the detailed marketing plan. Consistent decisions on product design, technical support, service, channels, distribution, promotion and pricing must be made.
7. *Validating the strategy.* Segmentation positioning strategy is critical for success in a specialised industrial market. Therefore is it essential to validate

the previous analysis and derived strategic plan. Follow-up research in the market is also needed to test the marketing plan.

### **2.5.5 Positioning against strong competitors**

Sometimes the market leader position is impossible to reach. The market leader is simply too strong to be dethroned. IBM was the dominant market leader in mainframe computers with a 70 percent market share (Ries & Trout 2001, p.40). Competitors were too small to be able to threaten IBM's position. Ries and Trout (2001) conclude the situation: "you can't get there from here". Nevertheless, companies have to deal with the situation. The solution is not to follow and act like IBM. Instead smaller competitors should focus on the position they already have and relate it to the segment with the strong competitor. (ibid).

A positioning strategy that works for a market leader, does not necessarily work for the number two brand. A follower should not try to copy the leader. Instead find an open position in the mind of the customer. The positioning should be based on different strengths than the market leader, for example a different price level. (Ries & Trout 2001, p.53).

## 2.6 Brands and customer relationships

A brand cannot be used to sell anything, just because the brand is perceived as strong. Brand compatibility is described by van Mesdag (1997) as compatibility between the brand and the goods and services offered by the company. The range of products compatible with the brand can be extended. The Yamaha brand covers motorcycles, musical instruments and summer-houses, but this type of brand compatibility takes time to achieve (van Mesdag 1997).

Incompatibility can occur in two ways: 1. new products offered are incompatible with the brand's personality and present target group, 2. the brand is incompatible with the new target group. Van Mesdag (1997) gives examples of both cases of incompatibility. The first type of incompatibility is Levi Strauss that successfully broadened the product range by adding shoes, shirts, skirts and jackets to the Levi's brand. Then Levi's added suits and people did not buy them. Levi's brand personality focused on informal clothes and the consumers used the brand to express their growing independence. The suits were in conflict with the informal personality. The second type of incompatibility, between brand and a new target group, occurs when a company is trying to extend the target group to completely new customers. The risk is that relations to the original, faithful, long-standing customers are damaged. An example, Cartier served an upmarket, international audience with fashion and cosmetic products. Most of this audience was lost when Cartier tried to extend to a price sensitive target group, by selling at discount prices. (ibid).

Brand compatibility does not mean that extension to new products and/or target groups is impossible. According to van Mesdag (1997) compatibility as perceived by customers can be altered gradually over a considerable time. Another solution is to introduce a new brand to compete in the new segment. These so-called *fighter brands* are a suitable approach when competing with low-price alternatives (Jobber 1998, p.211).

The customer's relationship to a company, goods or services are many times not personal, but a relationship through an image (Gummeson 1998, p.128). These relations are based on associations to corporate name, logotypes and person connected with the company.

There are risks in trying to build relationships based on visual symbol efforts. Trying to show the market an image of the company that is not real. Customers may perceive the image as false. However, Gummeson (1998, p.129) argue that customer sometimes wants to believe the image, even if it is not accurate.

### 2.6.1 Extended service offer model and image

Services are preferably analysed from a customer perspective. Grönroos (1990, p.77-88) has developed two models, the basic service offer and the extended service offer. The basic service offer model facilitates three service components, core service, enabling services and supporting services. The core service is the meaning of the company's existence, e.g. transport for the airline company. To be able to consume the core service needs enabling services or goods. For example, a credit card enables the customer to consume the services of the bank. Support services are not necessary in the consumption of the core service, instead they add value to the service and differentiate it from the competition. The service could still be consumed without the

support services, but would probably be less attractive and competitive. The basic service offer model describes, what the customer gets. The model has to incorporate the process of service production, to be able to analyse how the service is perceived.

The extended service offer model adds the service process to the basic model. Based upon the characteristics of services Grönroos (1990) describes three important components:

- *Availability of the service.* It is critical that the service is available to the customer. An otherwise excellent service offer can easily be ruined if the service fails in availability.
- *Interactions.* The interactions between the customer and the service organisation occur in several ways. The interaction with the staff depends on behaviour and actions of the employees. The customer also interacts with physical and technical resources as well as systems for delivery, payment and maintenance. Sometimes the customer interacts with other customers, who are involved in the service process at the same time.
- *Consumer participation.* Services rely on participation from the customer. Example, the customer is many times required to give information to the service provider.

Benefits for the customer is created within these three components. What benefits to emphasise is dependent on the needs and demands of the specific customer segment. The fourth and final component is the service concept, which is an umbrella concept guiding core, enabling and support services. Further, giving guidance in developing interactions, availability and enabling the customer to participate.

Image and communication is of high importance in the service offer. Image act as a filter for the perceived service, a good image enhances the perception and a bad image can ruin it. Grönroos (1990, p.88) adds communication, image and reputation to the extended service offer model, figure 2.10.

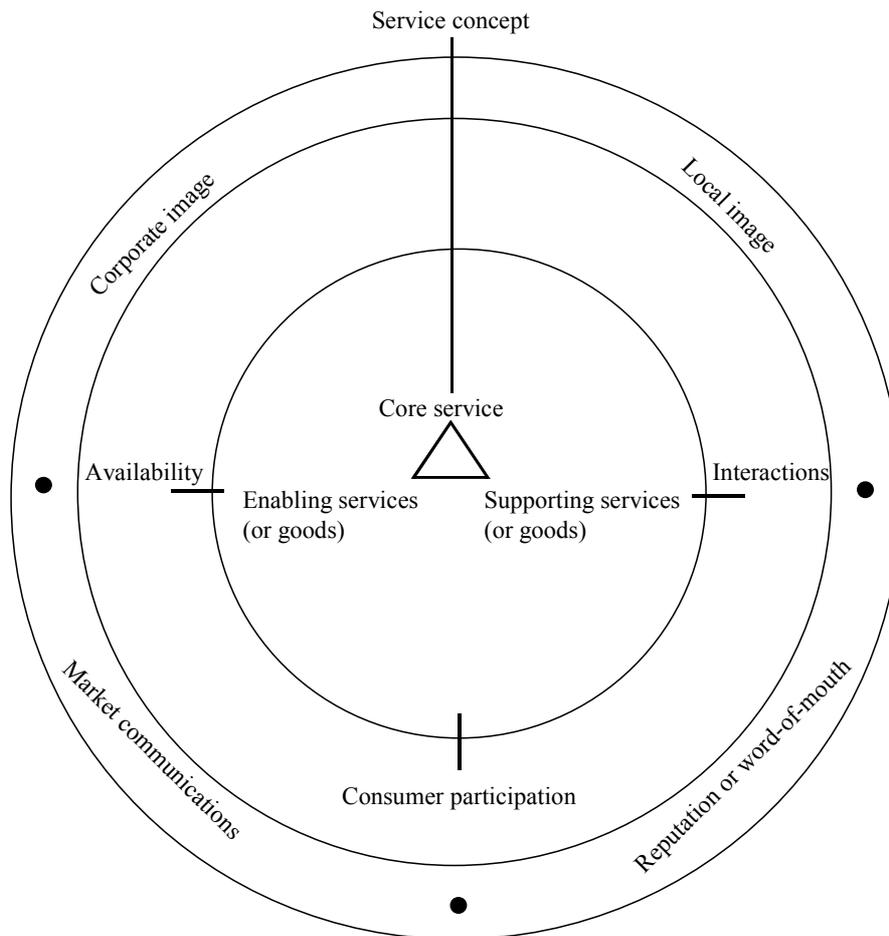


Figure 2.10. Image, communication and the extended service offer model (Grönroos 1990, p.88).

The intangible nature of services leads to market communications that not only set the expectations of the service, but also directly affect the perception. The corporate image is strengthened and sometimes formed by market communications like advertising, sales and PR. Advertising can even have a direct effect on the perceived quality. Reputation and word-of-mouth communication is of high importance. The effect from word-of-mouth is strongest when the customer is about to purchase the service. (Grönroos 1990, p.87).

### 2.6.2 Brands as relationship builders

Doyle (1990) describes customers unwilling to change brand because of habit. De Chernatony and McDonald (1998, p.168) identifies a desire for stability among industrial purchasers. The buyers were reluctant towards switching to a competitive brand because:

- They did not want to spend time finding and evaluating alternative brands.
- They were worried about technical problems in adapting their production processes for a new brand.

- They might have had internal production problems, which could be easier to resolve by involving a loyal supplier.

Many purchasers have a good relationship with the supplier. Therefore, must the alternative be very good in order to give an incentive for change. De Chernatony and McDonald (1998, p.168) describe four factors building these relationships, the interaction process, organisations involved, atmosphere affecting interaction and environment of interaction.

### **2.6.2.1 The interaction process**

The interaction process consists of a series of episodes or exchanges between the time when the order is placed and delivery. Examples are, information exchange, financial exchange and social exchange. Over time, these exchange episodes lead to institutionalised expectations about the roles of buyer and seller.

### **2.6.2.2 Organisations**

Characteristics of the buyer and seller organisations can indicate the relationship. Technical issues are often important. Companies at the same level of technological development will have a different working relationship than if they had different level of technology expertise. In the same way are company size, experience of working together and individual's background forming the relationship.

### **2.6.2.3 Atmosphere**

The overall atmosphere affects the relationship. The atmosphere is set by a number of different factors. For example, mutual expectations, overall closeness or distance in the relationship, sense of conflict or cooperation and whether the stronger firm is trying to use its power over the weaker firm. If there is an atmosphere of overall closeness, cost advantages can be gained from more efficient negotiations and administration, joint work on redesigning existing brands and more effective distribution. In contrast, some atmosphere may be characterised by a power-dependence relationship. For example, a powerful buyer can take advantage of the supplier's dependence of their firm.

### **2.6.2.4 Environmental issues**

Environmental issues like social systems, channel structure and market dynamics will influence the interaction relationship. The buyer and seller must consider the type of channel used. The relationship between any two firms in the channel is affected by relationships of other firms in the channel. Highly dynamic markets make buyers and sellers seek a large number of relationships, however, less close than for more stable markets.

The four influencing factors can be used by brand marketers to better appreciate the basis of their relationships with purchasing organisations. Further, brand selection is based on both rational and emotional factors. De Chernatony and McDonald (1998, p.171) present a set of variables that can determine the success of a relationship:

- *Commitment*, the desire and effort of both parties to continue the relationship.
- *Trust*, the belief that each partner will act in the best interest of the other.

- *Cooperation*, complementary actions taken to achieve mutually beneficial outcomes.
- *Mutual goals*, the degree to which partners share goals.
- *Interdependence and power*, the degree of power balance between partners, which determines the dependence of one partner on the other.
- *Performance satisfactions*, the degree to which firms can meet or exceed the expectations of the partner.
- *Structural bonds*, systems interlinking the companies so closely that it becomes difficult to end the relationship, for example shared technology.
- *Number of alternatives*, the number of choices a company has among available high-quality outcomes. The fewer alternatives, the more dependent the company will be on the current one.
- *Adaptation*, the amount of modification a company undergoes to accommodate the needs of the partner.
- *Non-retrievable investments*, resources a company commits specifically to a relationship.
- *Shared technology*, the degree to which one partner uses the technology contributed by the other partner to the relationship.
- *Social bonds*, the degree of personal relationship that develops between the firms.

These factors measure the degree of dependence between the two parties in a relationship. The factors help to anticipate how likely the relationship is to continue.

### 3 Frame of Reference

The purpose of this chapter is to develop a research model of the theories presented in chapter 2 in order to answer the research questions. Important concepts will also be defined and operationalised.

#### 3.1 Research model

Chapter 2 contains theories relevant to the research area, which here will be selected and more in specific adopted to answer the research questions. This section will be divided to deal with each of the research questions.

##### 3.1.1 Benefits of branding

The first research question is “How can the benefits obtained from brand development be described?” The purpose of the question is to describe the possible benefits and values of branding. Doyle (1990) and Kapferer (1997) describe the positive effects of a strong brand. According to Doyle (1990) are the positive effects of a brand relying on market share. Kapferer (1997) is also to some extent connecting positive effects of brands with market share and how the brand performs compared with the competition. However, the benefits of a brand are a result of how the company’s resources are invested (Kapferer 1997). The following concepts will be included in the research model to answer research question one:

*Market share.* The success of a brand is linked with its performance compared to the competitors. The market or segment share is according to Doyle (1990) the determinant of brand success.

*Price premium.* A higher sustainable price level is an important benefit of a brand. A strong brand can usually obtain a higher price than lesser brands (Doyle 1990; Kapferer 1997).

*Loyalty.* Successful brands generate a higher customer loyalty (Doyle 1990; Kapferer 1997). Further, the loyalty can sustain temporary problems and crisis (Doyle 1990).

*Brand perception.* Customers have a perception of a brand even if they lack experience from earlier purchases (Doyle 1990). Many customers are reluctant to try an unknown brand when they can choose a strong established brand.

*Cost advantages.* Increased loyalty gives cost advantages since it is less expensive to keep existing customers than attracting new ones (Doyle 1990). Cost advantages and a premium price increase the margin, or increased profit (Kapferer 1997).

*Possibility for growth or extension.* Kapferer (1997) argues that a strong brand can utilize a strong position in the present market to extend into a new market. Continuous development of a brand can enable the brand to move from a mature market to a new growth market. There are three directions for brand growth, new segments, new technology and global branding, see figure 2.3. (Doyle 1990).

*Motivating stakeholders.* Companies can benefit from strong brands in relation to different stakeholders. Recruitment is easier, awareness and understanding from the shareowners is increased and getting support from government and local authority is easier. (Doyle 1990).

These possible benefits of a brand depends on competition and market variables like:

*Buying criteria.* The criteria customers use to select product and supplier will have implications on how the brand performs compared with the competition, see figure 2.4 (Kapferer 1997).

*Market differentiation.* In a highly differentiated market is different segments looking for different attributes in a product (Doyle 1990). This is basically a difference in buying criteria. Markets with a high level of differentiation can be highly profitable for both big brands with a large market share and small niche brands that only serve a specific segment of the market (ibid).

*Price sensitivity.* The degree of price sensitivity in the market is affecting the success of the brand, see figure 2.4 (Kapferer 1997).

*Strength of other brands.* The level of competition from other brands is of course affecting how the brand will perform.

### **3.1.2 Identity and image**

The second research question “How can identity and image be utilized in brand development?” deals with two main concepts in branding, identity and image. There are two models suitable to describe identity, the brand identity prism (Kapferer 1997) and the four brand identity perspectives (Aaker 1996). Both models cover the same area to a large extent, although the identity prism (Kapferer 1997) has a more detailed approach. This research model will include the brand identity prism to analyse the identity concept in detail. The brand identity perspectives (Aaker 1996) will also be included with the fifth additional “brand as process” perspective (Moorthi 2002), which makes the theory more adopted for service branding. The perspectives will provide an overview of the identity and show the major directions of the brand.

Image is the customer’s view of the brand, a reflection of identity. The image is the identity from a customer perspective. However, there is a risk of glitches between identity and image. Kapferer (1997) identifies three causes, mimicry, opportunism and idealism.

Brand origin cues, (Thakor & Kohli 1996), in the image will be included in the research. The purpose is to analyse if regional or local origin associations can be useful for small firms, especially to differentiate from larger national or international competitors.

Most of the theories dealing with identity and image have a consumer market perspective. This study is limited to industrial markets, which leads to some concern about how applicable the models are. The theories are still most relevant, but needs to be interpreted from an industrial market situation. This means that concepts like reflection and self-image in the identity prism can refer to several persons in an organisation, rather than a consumer.

### **3.1.3 Positioning**

The third research question “How can the role of positioning in brand development be described?” is concerned with the positioning concept, which is closely linked with image. The purpose of positioning is to create the image. The theories necessary to answer the research question will also be close to image. A major decision when it comes to positioning is whether to position functionally or symbolic. Bhat and Reddy (1998) discuss symbolic and functional positioning and the possibilities to combine

them. A brand can be positioned both functionally and symbolic, yet with difficulties (Bhat & Reddy 1998).

The three-step service-positioning model by Palmer (2001, p.180) will be used as a framework to describe the positioning procedure. Even though the model describes positioning in a service setting is it probably valid for both goods and services, since the procedure is rather general. However, there are some differences in positioning between goods and services. Palmer (2001, p.182) argue that positioning the service provider rather than the service itself is usually a preferable approach.

The positioning process for specialised industrial markets by Doyle and Saunders (1985) describe the role of positioning in a more extensive procedure. This procedure includes positioning as a step following segmenting and targeting.

Ries and Trout (2001) discuss positioning in a competitive situation. Positioning must be developed according to the company's position in the market, leader or follower. The competitive situation is included in the research model, since this study has a small company perspective. The situation with strong competitor is common among small firms.

### **3.1.4 Customer relationships**

The previous three research questions deals with how branding is utilized to attract new customer. The fourth research question “How are relationships with existing customers affected by the development of the brand?” deals with how existing customers restrict the brand development. Changes from brand development can affect the relationships with the existing customer group. According to van Mesdag (1997) is compatibility important. The brand must be compatible with the products offered and with the target customer group. This restricting factor on brand development is important since undesirable to win new customers by losing the old ones.

Another restriction on brand development can be found in the service offer model (Grönroos 1990). The interaction component refers not only to interactions between company and customer, but between customers. This interaction is not necessarily direct communication. Instead other customers are likely to affect the image just by being clients to the service provider. In this research are interactions considered even if it is in form of perception of the brand due to who the other customers are. In other words, how the composition of the customer group affects image.

The relationship model by de Chernatony and McDonald (1998) is based on interactions between buyer and seller. The interaction process is affected by three factors, organisation, atmosphere and environment. The customer's brand loyalty is driven by an attempt to increase stability. This model will be included in the research model to consider how brand development affects buyer-seller relationship. Effects from brand development will be analysed against the factors of relationship building, in order to find risks for negative changes.

## **3.2 Conceptualisation and operationalisation**

The purpose of this section is to define important concepts that will be used to answer the research questions. First are the concepts in the research problem and delimitations defined and then each of the research questions. To make the concepts

measurable is each concept operationalised. The defined concepts are translated into practically measurable terms.

The first concepts to be defined are general to this study and covers research problem and questions and the delimitations.

<b>Concept</b>	<b>Definition</b>
Small company	Company with less than 30 employees.
Service company	Company with offerings mainly consisting of services.
New customer	Organisation that has not purchased anything from the supplier before. The new customer can be a division within a company that has purchased before as long as they are organisationally separated.
Existing brand	Brand built in terms of name, logotype and other visual aspects. The brand has been present in the marketplace for at least enough time to have an established customer group.
Brand development	Branding strategies for existing brands. Strategies for creating new brands or acquisitions are excluded.

Table 3.1 General concepts definition.

### 3.2.1 First research question

The first research question is focused on the possible benefits of branding in terms of attracting new customers. The concepts that will be defined are of two main types, first different benefits of brands and second, market and customer characteristics that will affect the benefits.

Benefits are gained both for new and existing customers, even if the research problem is aimed at new customers. The reason for this is that existing customers perception of the brand has implication on how the brand can be developed to attract new customers. This aspect will be covered in detail in the fourth research question.

<b>Concept</b>	<b>Conceptualisation</b>	<b>Operationalisation</b>
Market share	Percentage of a market that a company's sold volume stands for. In terms of sold units, hours or similar.	Comparing the sold volume in money of the company and the total of the market for services solving the same problem.
Price premium	Price difference between two technically identical services. The higher price is the additional payment to buy a stronger brand.	Measured as the price difference per hour for similar services contracted over the same length of time.

Loyalty	The degree of customer retention. Customer's will to stay with the supplier.	Measured with three cues: 1. degree of repeated purchase. 2. price incentive needed to switch supplier. 3. degree of failure from the supplier before the customer switch supplier.
Perception of brand	How the customer relate to the brand before the first purchase.	Ranking the brand against competitors among potential new customers.
Cost advantages	Cost savings due to brand loyalty.	Identifying areas for cost savings since it is less expensive to keep than to win customers.
Buying criteria	Base for the customer's selection of product and supplier.	Ranking criteria as quality, price, competence and similar among present and potential customers.
Differentiation of market	Difference between market segments in preferred attributes of the product.	The degree of difference in buying criteria.

*Table 3.2* Concepts in the first research question.

Market share is measured monetarily, instead of volume in hours. The possible difference in price between identical services, price premium, could make this market share measurement inaccurate to some extent. Measuring in hours can cause difficulties in comparison between companies. Monetary measurements have the benefit of being the standard unit in companies' financial reports. Therefore, a measurement that is easier to acquire. The market itself is limited to services that are offered by the company at the geographical market it is active on.

The brand perception concepts is identical to brand loyalty, with the exception that brand loyalty refers to an existing customer. A potential customer can prefer a brand and perceive it has superior, without having purchased it before. This situation occurs if the customer prefers the brand, but has not been in need of the product earlier.

The cost advantages in table 3.2 derives from brand loyalty. Loyal customers enable the supplier to save money, since it is far more expensive to win new customers than it is to keep those who are loyal. The operationalisation refers to finding the areas where these cost savings apply.

The perspectives of the benefits of branding are from the brand owner or the customer. Brand perception, buying criteria and loyalty is analysed from a customer perspective. Price premium and cost advantages, on the other hand, is analysed from a brand owner point of view.

### 3.2.2 Second research question

The second research question covers brand identity and image, two concepts based on different point-of-view. Therefore are the concepts defined and operationalised with considerations on viewing perspective.

Concept	Conceptualisation	Operationalisation
Identity	Core values of the brand, direction, purpose and meaning of brand. The brand from the sender's point of view.	The brand owner's view of the identity, based on the components of the identity prism.
Image	The receiver's (customer) view of the brand.	Same measurement as identity, but from customer perspective.
Brand origin	Place, region or country the brand is perceived to belong to by its target customers.	The value of a regional origin cue compared to a national or international.
Communication glitches	Mismatch between identity and image.	Describe the differences and classify them as mimicry, opportunism or idealism.

*Table 3.3* Concepts in the second research question.

Identity and image are using similar measurement, but from different perspectives. This means that theories have to be interpreted according to the perspective. Image is analysed from a customer perspective and therefore is focus put on the customer's perceived benefits of the brand.

### 3.2.3 Third research question

The third research question focus on positioning, which means transferring identity into image. Positioning is closely linked with image and some concepts and theories can be applied on both image and positioning.

Concept	Conceptualisation	Operationalisation
Positioning	How to give the brand a position in the mind of the customer.	Identify activities, methods and tools that transfer the values in identity into an image.
Functional positioning	Positioning that emphasises practical and immediate benefits.	Associations connected directly to the service or its direct, practical benefits.
Symbolic positioning	Positioning that emphasises self-expression and prestige benefits.	Associations to benefits of the brand that are not connected to solving the actual problem, e.g. prestige related benefits.

*Table 3.4* Concepts in the third research question.

Positioning does not have to be divided in either functional or symbolic. There is a possibility of positioning relying on both functional and symbolic associations.

### 3.2.4 Fourth research question

The fourth research question covers the limitations of brand development from existing customers. This research focus on branding in order to get new customer, but changes to the brand can affect the existing customers.

Concept	Conceptualisation	Operationalisation
Brand compatibility	How the brand's personality matches products and target group.	The degree to which the customer's perception of the brand fits to the actual offerings of the company. Which means whether the brand's image stands for the same values as the products.
Interaction	Exchanges, communication or activities involving at least two parties, e.g. buyer and seller.	Measured as the frequency of communication between buying and selling organisation and the number of people involved. Communication includes phone, e-mail, letters as well as meetings in person.
Relationship	A long-term link between two parties. Including cooperation, interdependence and communication.	Same measurement as interaction, but also duration of cooperation and perceived degree of trust. The degree of trust applies on contracts, cooperation and share of information.

*Table 3.5* Concepts in the fourth research question.

The purpose of the fourth research question is to explore how far a brand can be developed with considerations to the existing customer relations. The aim is not to find methods to manage customer relationships, but to describe the role of the brand in these relationships.

Relationships are difficult to define and measure in exact terms. Buyer-seller relationship is a long-term link, including repeated purchase. It is not possible to put an exact limit in time to when the relationship occur, since time or number of purchases are not the only significant factors. Trust and interdependence are important components that must be present for a relationship to occur.

## 4 Methodology

The purpose of this methodology chapter is to discuss and select appropriate methods for this research. Validity and reliability issues are also considered to answer the research question in the most accurate and reliable way.

### 4.1 Types of business research

Research can be conducted in several different ways, depending on the purpose or research problem. Zikmund (1999, p.50) presents three types of research, exploratory, descriptive and causal.

*Exploratory research* is an initial research that clarifies and defines the nature of a problem. Exploratory research will not provide conclusive evidence or a specific course of action. To be able to obtain conclusive evidence further subsequent research is required. (Zikmund 1999, p.50).

*Descriptive research* aims at describing characteristics of a population or a phenomenon. A descriptive research is unlike an exploratory research based on a previous understanding of the nature of the problem. The result of a descriptive research is answers to *who, what, when, where* and *how* questions. Although, giving no explanations to for the cause of the findings. (Zikmund 1999, p.50-51).

*Causal research* seeks to find cause-and-effect relationships between variables. Exploratory and descriptive studies usually precede causal research since this kind of research requires knowledge about research subject. The research problem and the variables in the study must be narrowly defined. (Zikmund 1999, p.51).

The purpose of this research is “How to develop the brand of a small service company in order to attract new customers?” The research has to be exploratory since it is an initial study and the nature of the problem is unclear. Branding concepts are widely used in marketing, but not in the specific setting of this study. The exploratory approach will not provide answers in form of a general course of action. The conclusions of this research can point out a course of action suitable for the specific case, however not generally applicable for other situations. Some aspects of this study could be perceived as descriptive, e.g. identity and image are measured with established theories in order to find out how they apply. However, the study cannot be descriptive since the previous understanding of the problem is insufficient. Branding is studied in a situation where previous theories have not been tested. Conclusions can be descriptive if the theories apply, but the approach has to be exploratory.

### 4.2 Research design

The exploratory research can be conducted through a case study. A case study investigates one or few situations similar to the research problem, in depth. The advantage is that an entire organisation or entity can be investigated in depth and very detailed. The drawback is that conclusions from a few cases cannot be generalised for an entire population. Even if it is not possible to generalise findings, can insights be gained and hypotheses suggested for further research. (Zikmund 1999, p.107).

### **4.2.1 Inductive vs. Deductive**

Theories can be generated from two different kind of reasoning, inductive or deductive. A deductive reasoning is the logical process of making conclusions based on something known to be true (Zikmund 1999, p.43). Deductive research is based on earlier knowledge, such as established theories. The other way to generate a conclusion is from inductive reasoning, which is based on observations instead of theories. An inductive reasoning is the logical process of establishing a general proposition on the basis of observations of particular facts (Zikmund 1999, p.43). In this way is an inductive research conducted based on observations, without considering theories established earlier.

This study will rely on a deductive reasoning, since it is based on existing theories and models. The findings from empirical data will be analysed with existing theories as a frame of reference.

### **4.2.2 Qualitative vs. Quantitative**

The terms qualitative and quantitative are used to divide methods of investigation. Qualitative methods are concerned with obtaining an understanding of a subject and quantitative methods are used to measure things (Hague & Jackson 1996, p.64). Qualitative research relies on a smaller number of respondents and more open-ended questions. Quantitative methods are based on representative sample of a population, large enough to make the results general for the entire population, within estimated levels of accuracy (Hague & Jackson 1996, p.77). Qualitative research is aimed at in-depth understanding of a subject instead of measuring, which gives troubles in generalising findings. The lack of measurement makes it impossible to be absolutely sure that the findings are correct. (Hague & Jackson 1996, p.64). Another problem with qualitative and exploratory research is that findings are judgemental, conclusions are based on interpretations (Zikmund 1999, p.120).

Qualitative research many times precedes a quantitative study. Cahill (1996) argue that the opposite order of research also has applications. A qualitative research can provide an understanding of the quantitative results and be of help in internalising the results. According to Milliken (2001) has practitioners emphasised quantitative research and many times regarded qualitative methods with scepticism. Qualitative research is increasingly important and has a major role in marketing research. For example, qualitative research is important in purchase logic since it can indicate why individuals behave in a certain way (Milliken 2001).

This research will have a qualitative approach, which is logical since the study is conducted as an exploratory case study. A case study approach is suitable for a research problem formulated as “How?” or “Why?” (Yin 1994, p.7). Further, the research problem will not benefit from quantifiable results. Instead is understanding of the nature of the problem more desirable, even if it does not result in general conclusions.

## **4.3 Research methods**

Primary data can be collected by surveys, observations and experiments (McDaniel & Gates 1999). Surveys are a data collection method based on communication with representative sample of individuals (Zikmund 1999, p.167). Observation methods are based systematic recording of behavioural patterns without directly communicating

with respondents (Zikmund 1999, p.217). Experimental research uses controlled conditions to investigate effects of altering one or more variable (Zikmund 1999, p.238). Experiments are common in physical science, but works in the same way in business research, a controlled environment allows study of causal relationships.

In this study I will use a survey method, the exploratory nature of the study makes other approaches very difficult. Experiments are impossible since there are no clear cause-effect relationships to investigate. There is no realistic method to control the situation either. Observations are also close to the impossible in this case, the situations when the brand applies are difficult to identify and measure. In this case is a survey the best approach, letting the people in contact with the brand describe their view on the issue.

### **4.3.1 Surveys**

Survey research is based on direct communication with a representative sample of respondents. The communication takes place even if the data collecting method is a questionnaire distributed by mail, the respondent is asked for information and answers. Surveys can be qualitative or quantitative, they are mostly descriptive, but can be used to explain causal explanations or explore new ideas (Zikmund 1999, p.167). In this research is a qualitative survey method to be used. There are no realistic alternatives to a survey method. The research problem is based on concepts that deals with opinions, attitudes and perceptions which are best measured by a communication with the respondents.

### **4.3.2 Observations**

Observation methods are a systematic process of recording the behavioural patterns of people, objects and occurrences without questioning or communicate with them. Observation methods can be either visible or hidden. The visible observation refers to situations in which the observer's presence is known to the subject. In a hidden observation is the subject unaware of the observation taking place. The main advantage of observations compared to surveys is that data has no distortions, inaccuracies or response biases caused by the respondent. (Zikmund 1999, p.217-219). Observations are not suitable for this research. The main reason is that area of research includes brand concepts such as identity and image. There is no possible way to observe or monitor people's opinions and perception of these concepts.

### **4.3.3 Experiments**

The purpose of experiments is to evaluate causal relationships. Experiments rely on a controlled situation where one or more variables can be manipulated. Experiments differ from surveys and observations since the degree of control is much greater. In a typical experiment is one variable (independent variable) manipulated and its effect on the other variables (dependent variable) is measured. (Zikmund 1999, p.238). Experimental methods are not applicable in this type of research. A controlled environment is not possible to achieve and therefore is experiments impossible.

## **4.4 Data collection**

Data can be divided into two different categories, primary and secondary data. Primary data is collected in order to solve the specific problem. Secondary data, on

the other hand, is previously gathered for some other project than the one at hand (Zikmund 1999, p.124).

#### **4.4.1 Secondary data**

Since secondary data is already collected is it far less expensive than primary data. Secondary data can be collected with a fraction of the cost, time and effort of primary data (McDaniel & Gates 1999, p.100). There are more benefits of secondary data than just the cost aspect. McDaniel and Gates (1999, p.100) present advantages that are less obvious:

- Secondary data may help to clarify or redefine the definition of the problem as a part of the exploratory research process. Secondary data has a key role in exploratory research.
- Secondary information may solve the problem. There is a great chance that the identical problem already has been addressed and solved by someone else.
- Secondary information may provide alternatives for primary data research methods. The methods used to collect the data in the secondary source can be applicable the primary research at hand, at least to some extent. In questionnaire design is it many times helpful to examine previous methods in the same area of research.
- Secondary information may alert the marketing researcher of potential problems or difficulties. Problems can be avoided by studying previous research.
- Secondary information may provide necessary background information and build creativity for the research report. Secondary information can provide a good background data for planning a research project.

##### **4.4.1.1 Disadvantages of secondary data**

Even if secondary data provides many advantages, there some limitations. The main disadvantages are according to McDaniel and Gates (1999, p.101), lack of availability, lack of relevance, inaccuracy and insufficiency.

Lack of availability occurs when there are no secondary sources for the problem. This type of research problem can only be solved with primary collected data. The availability problem usually occurs when the problem is defined to a specific company or product.

Lack of relevance occurs when the available sources are irrelevant to the problem. The information can be outdated or expressed in units or measures that are of no use in the research.

Inaccuracy can occur when a researcher collects, codes, analyses and presents data. The risk of inaccuracy exists in any report, but a researcher can assess this risk. The researcher should determine, who collected the data, for what purpose and how. The researcher should also check if the information is consistent with other sources.

Insufficient data is a problem that can exist even if the information is available, relevant and accurate. However, not sufficient to base a decision upon. If data is insufficient, will primary data still have to be collected.

## 4.5 Case selection

The research problem requires a case selection that fits the specific setting of the problem. The case company has to be small (less than 30 employees, table 3.1) and offering mainly industrial services. A typical industrial service is technical consultancy. Consultant firms range from small local firms to large multi-national corporations. Infologigruppen is a small local consultant firm with services completely on the industrial market. This makes Infologigruppen an ideal case, for this research and covers the requirements, small company, service offerings and industrial market.

### 4.5.1 Infologigruppen AB

Infologigruppen is a small consultant firm based in Norrbotten. The company has 20 employees at two offices in Luleå and Piteå. Infologigruppen offers technical consultant services for database applications and telecom systems. These services are completely purposed for industrial markets. The most important customers are today the Swedish Customs and Telia Mobile.

#### 4.5.1.1 Background

Infologigruppen as the company it is today was funded in 1996. However, the brand name and logotype has a much longer history. The word *infologi* was invented in 1973 and means the science of how thoughts, ideas and opinions by humans can be handled by computers and other devices.

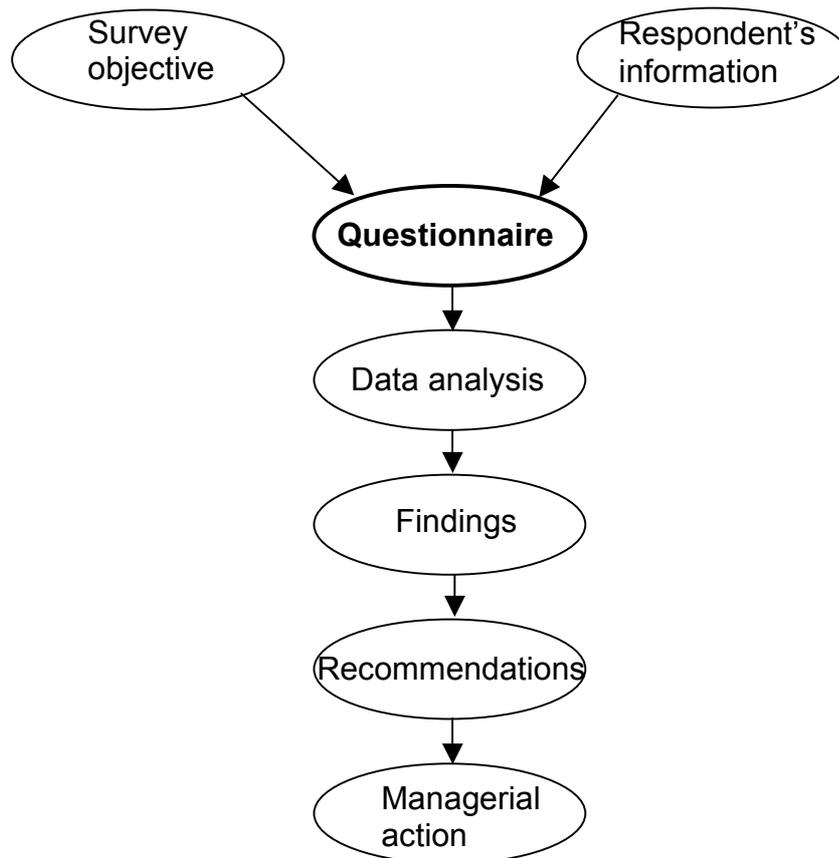
The infologigruppen logotype, figure 4.1, is not an abbreviation of the company name, which only consists of two i's . The “iii” symbol represents a group of individuals, (one is an individual, two are a couple and three a group). (www.infologigruppen.se 2002-11-24).



Figure 4.1. The Infologigruppen logotype.

## 4.6 Interview guide design

All survey researches rely on some form of questionnaire. A questionnaire is a set of questions designed to generate the data necessary to achieve the objectives of the research project (McDaniel & Gates 1999, p.356). Further, the questionnaire provides standardisation to the data collection, since every respondent gets the same question. The questionnaire has a critical role, positioned between the surveys objectives and the respondent's information, see figure 4.1.



*Figure 4.2.* The position of questionnaires in the research process (McDaniel & Gates 1999, p.358).

Relevance and accuracy are the two basic criteria for a questionnaire to achieve the purpose of the research. According to Zikmund (1999, p.309) are there a number of decisions the researcher has to do in order to obtain relevancy and accuracy.

1. What should be asked?
2. How should each question be phrased?
3. In what sequence should the questions be arranged?
4. What questionnaire layout will best serve the research objectives?
5. How should the questionnaire be pretested? Does the questionnaire need to be revised?

#### **4.6.1 Questionnaire Relevancy**

A questionnaire is relevant if no unnecessary information is collected and the information needed to solve the problem is obtained (Zikmund 1999, p.310). This means that researcher's should avoid asking wrong or irrelevant question. The researcher should also be specify the data needed.

### 4.6.2 Questionnaire Accuracy

Accuracy becomes the primary concern once it is decided *what* to ask. Accuracy means that the results are reliable and valid. Accuracy is achieved by designing a questionnaire motivating the respondent to cooperate. Questions should be simple, understandable and unbiased. (Zikmund 1999, p.310).

### 4.6.3 Open-ended vs. Fixed alternatives

Questions can be divided in two groups according to the degree of freedom for the respondent. Fixed-alternative questions, (or closed questions), gives the respondent a specific, limited alternative responses. The respondent is asked to choose the alternative closest to his or her own viewpoint. Open-ended questions are more suitable in exploratory research. The open-ended questions let the respondent answer in his or her own words. A benefit of open-ended questions is that the researcher may find unanticipated answers and reactions on the topic. (Zikmund 1999, p.311).

This research is mainly exploratory and will therefore rely on open-ended question. The main purpose of using open-ended question in this case is to let respondents describe the brand-related topics. Closed questions would also be inappropriate since this research does not seek quantifiable measurements.

### 4.6.4 Selection of respondents

The research questions contain concepts that require analyses from different perspectives. To be able to answer the research questions, three groups of respondents will be included in the study. The first category of respondents is the brand owner, in this case Infologgruppen. The brand owner can describe possible benefits of brand development, the brand identity and how the positioning is managed. The second category is the existing customer, who best can describe the image of the brand. The long-term customers are also able to provide answers to the fourth research question, describing how brand development can affect customer relationships. The third and final category is potential new customers, who can describe the brand image from a different point-of-view, than the existing customers. The main purpose of this research as defined in the introduction chapter “How to develop the brand of a small service company in order to attract new customers?”, aims at new customers, therefore is the image perception of this category highly important. Both existing and potential customers can indirectly provide answers for the first research question because the benefits of branding can be both in retaining customers as well as attracting new ones.

Different perspectives and three different groups of respondents make it necessary to use different interview guides (Appendix A). The following three interview guides will be used for data collection:

- Interview guide A, covers the identity perspective, positioning and benefits of brand. This interview guide is used only at Infologgruppen.
- Interview guide B, image perspective from existing customers point-of-view. Measuring image and the customer relationship issue of the fourth research question. Benefits of branding is also included, but more indirectly.
- Interview guide C, image perspective from a possible future customer point-of-view. Image will be measured as a comparison between different consultant

firms present at the local market. The aspects of the first research question that are related to attracting new customers are also measured.

Analysis must also be adopted to fit the different perspective approach. All data cannot be directly compared across the different groups. The construction of Interview guide C is differing from the two previous interview guides in the way image is measured. The image of Infologigruppen is measured in a competitive context. A sample of consultant companies is included in the interview guide. The reason is to provide a picture of the brand in the competitive environment. The results are also more reliable. If the respondents only were asked about Infologigruppen is the risk that the findings apply on any competitor and not just the studied brand. An image association that apply on every company in the market is not really of value in branding efforts since it does not differentiate the brand. For example, a respondent answers that Infologigruppen is perceived as competent, but it is not necessary an advantage if consultants in general are perceived as equally competent.

#### **4.7 Validity and Reliability**

Validity and reliability are important considerations for any research. Validity is the ability of the measuring instrument to measure what is intended to be measured (Zikmund 1999, p.281). McDaniel and Gates (1999, p.309) present the following ways to measure the validity:

- *Face validity.* The weakest form of validity, concerned with whether the measurement instrument appears to be valid. Face validity is many times the judgementally determined by the researcher when constructing questions. Straightforward questions like “what is your age?” is usually considered to have a high degree of face validity. Marketing research is many times concerned with attitudes and behavioural intentions, which are more difficult to determine.
- *Content validity.* The degree to which the instrument represents the universe of the concept under study. In other words, how well the instrument actually covers the area under study. Content validity can sometimes be difficult to achieve. Example, a study on brand image must cover all dimensions of the image to obtain content validity, which is difficult since the researcher cannot predict what the respondents are going to answer.
- *Criterion-related validity.* The degree to which a measurement instrument can predict a variable that is designated criterion. This means how well the measurement instrument correlates with other instruments measuring the same variables. Criterion-related validity can be split up in two categories. Predictive validity is the degree to which the instrument can forecast a future measurement. Concurrent validity is the degree to which the instrument can predict the variable of interest measured at the same point in time.
- *Construct validity.* The degree to which the measurement instrument represents and logically connects to underlying theory. Construct validity is usually of little interest for practitioners in day-to-day research, but of high interest for marketing scientists. A measurement has construct validity if it behaves according to the relevant theories.

These types of validity combined determines whether what is intended to be measured actually is measured.

Reliability is the degree to which measures are free from error and therefore yield consistent results (Zikmund 1999, p.280). A measure is reliable if results are similar when obtained over time and across situations. A key question regarding reliability is, "If we measure some phenomenon over and over again with the same measurement device, will we get the same or highly similar results?" (McDaniel & Gates 1999, p.304).

McDaniel and Gates (1999, p.305) presents the following three ways to assess the reliability of a measurement instrument:

- *Test-retest reliability.* This form of reliability is obtained by repeating the measurement using the same instrument under close to identical conditions. Random errors and variation will be revealed by differences between test and retest. Test-retest reliability is in reality problematic. First, it may be difficult to get the same respondents to cooperate in a repeated testing. Second, the first measurement may alter the respondent's answer in the second measurement. Third, environmental or personal factors may change and therefore causing the second measurement to change.
- *Equivalent form reliability.* This reliability is the ability to produce similar results using two instruments as similar as possible to measure the same object. The problems of the test-retest approach can be avoided since the respondent does not have to answer identical question, but highly similar ones. The equivalent form reliability has two problems. First, it is very difficult to construct two totally equivalent forms, such as questionnaires. Second, if equivalence can be achieved, it may not be worth the effort in time and money. Equivalent form reliability is similar to test-retest reliability with exception of the testing instrument itself. Test-retest uses the same instrument and equivalent form uses highly similar measuring instruments.
- *Internal consistency reliability.* This way of determining reliability is based on the measurements ability to produce similar results using different samples to measure a phenomenon during the same period of time. The internal consistency approach is based on the variation at one point in time among samples of items. Internal consistency differs from the two previous approaches is that the same respondents are not included more than one time. There is no repeated contact with the respondents to check for reliability.

Validity and reliability are many times illustrated as a marksman shooting at a target. Figure 4.3 illustrates three different results for the shooting practice. In the first situation there are holes all over the target. This result can be caused by a number of reasons such as inaccurate rifle, a poor marksman or other factors. Because the instrument lacks consistency there is no reliability. An instrument with no reliability, causing huge errors, cannot be valid.

The second situation shows a tight, consistent pattern, but far from the centre of the target. The instrument is highly reliable (little variance), but no validity. This means that the instrument is consistent, but is not measuring what it is supposed to measure. The marksman has a steady eye, but the sights are not adjusted properly. The third

situation illustrates a situation when the instrument is both reliable and valid. (McDaniel & Gates 1999, p.312).

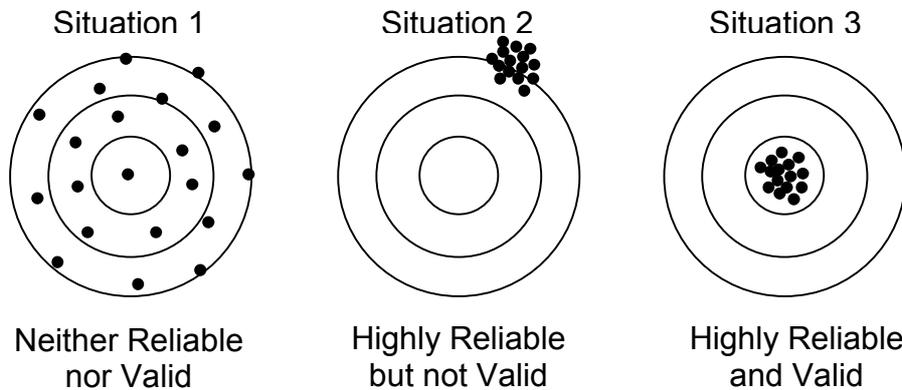


Figure 4.3. Possible Reliability and Validity situations (McDaniel & Gates 1999, p.313).

#### 4.8 Methodology problems

The selected methods of conducting research have some areas where problems may arise. The first issue is the sample of respondents that includes respondents from three different categories. This will cause the analysis to become more complex since results from the respondents cannot be analysed as one group. Clearly the groups of respondents are unbalanced. The first category (interview guide A) consists of only one company, Infologigruppen that provides the identity related answers. The second group (interview guide B) is also small since the number of long-term customers is limited. The third group (interview guide C) is much bigger than the two previous, there are many companies that buys IT-consultant services even when only the local market is considered. The sample that will be presented in chapter 5 with the results is not numerically balanced. The first and second group are both consisting of one company each. The third group, potential customers, includes five companies. The results will still be valid since all the interviews are measuring the same phenomenon. Even if parts of the results can be difficult to compare directly is it of course still possible to find areas where the result can be analysed against each other. A perfect balance in numbers is impossible in this case. The only possible way to reach such a balance would be to only cover one category of respondents, for example possible future customers. This approach would only cover image aspects and gives a very limited view of the problem area. The total population in the first group is only one company. In the second group, long-term customers, has a total population of two companies. However, only one of them is interviewed due to limited time, one interview was not possible within the time scope of this study. There is a disadvantage of only interviewing half of the possible respondents, but the information acquired should be sufficient.

All of the interviews are direct, telephone interviews are not used at all. The reason is that most respondents provide longer and more detailed answer in a direct interview. Telephone interviews can make the respondent lose concentration if the interview consists of many questions and require detailed answers.

The questions asked in the interviews are constructed in a way that does not force the respondent to give away information that can be sensitive for their company. Questions on buying criteria can be perceived as suspicious if the respondent does not know how the information is to be used. The purpose of the interviews is to find patterns in the market, not to determine the buying behaviour of specific companies.

The use of three different interview guides can arise questions on validity. Different measuring instruments in the same study can be questionable since there are risks of bias between the instruments. This risk is reduced or eliminated in the construction of the questions. The questions are generally open-ended and formulated in an equal and consistent way in all of the interview guides.

The open-ended questions reduce the risk that the respondents will be directed to answer in a certain way. The risk with questions that are too open is that the answers are not comparable. Respondents may provide answers in directions that do not help to answer research questions. However, the benefit of open-ended questions is greater than the risk of irrelevant answers. The exploratory approach is also making more fixed questions unsuitable.

## **5 Empirical data**

Confidential until March 1<sup>st</sup> 2006.

## **6 Analysis**

Confidential until March 1<sup>st</sup> 2006.

## **7 Conclusions, evaluation of study and further research**

This chapter will present the conclusions of the study, the answers to the research questions. Second, the study will be evaluated. Finally, suggestions for further research are presented.

### **7.1 Benefits of brand development**

Branding theory points out several areas where brands can provide advantages. The empirical results do not match the theories directly. The benefits in pricing and cost saving is not likely to occur in this case, at least not to any significant degree. Brand strength is not likely to build loyalty either. The benefit of a stronger brand for companies like Infologgruppen is more likely to occur in sales to new customers. The brand can help in the process of finding a new customer. The brand creates awareness, which makes it easier to communicate the values of the company. The brand functions as a “door-opener” in sales to new customers. The benefit for the customer is that the brand reduces uncertainty since the customer has an established image of the company.

Differentiation is a central concept in branding. In this case is the differentiation of the market difficult to assess. The buying criteria of the customers are similar and do not really indicate any differentiation of the demand. The decision on hiring a large or small consultant company is similar between the respondents. The big companies are hired for critical projects involving more money, and the smaller firms are contracted for smaller assignments. The similarities in buying criteria indicate low differentiation of the market, but the competitive situation contradicts low differentiation.

### **7.2 Identity and Image**

The identity and image concepts have been studied by using the same theoretical framework, which enables comparisons. The identity prism applied to the brand, but not completely. The reflection and self-image facets did not apply on either identity or image. A possible reason is that the Infologgruppen brand is not communicating values like reflection and self-image. There was no indication that the missing facets were important for the customer. The identity is based mostly on culture and relationship, but the image was focused on physique and culture. The differences between identity and image are probably not caused by mismatching communication. A more probable explanation is that relationship associations are difficult to communicate to a new customer, but will evolve over time. However, none of the differences are in direct contradiction, instead differences can be seen as a shift of bias between the facets in the identity prism.

In general terms IT-consultant companies on the Norrbotten market can be divided into two categories, big and small. The difference exists mostly between the groups rather than within them. A conclusion from this is that the small company aspect of branding is significant. Brands for small companies cannot be built and developed in the same way as for larger organisations.

Local presence seems to be necessary to achieve any success in this market. The local presence can be incorporated in the brand image. Many of the consultant companies are identified with the geographical area they are considered to origin from.

### **7.3 Positioning**

The positioning of Infologigruppen is functional, which is representative for the industry in general. There are no indications of symbolic positioning of Infologigruppen or any of the competitors. The functional positioning transfers the identity into a functional image. The lack of symbolic values in the positioning is the best explanation for the reflection and self-image facets irrelevance in the identity prism. Infologigruppen is an industrial brand and has therefore probably more difficulty to apply to symbolic values than a typical consumer product. The link between functional positioning and the missing facets in the identity prism indicates that the composition of the image is determined by positioning. The purpose of positioning is to form an image in the mind of the customer. The decision to rely on functional or symbolic positioning seems to be most important since it determines which facets of the identity prism the image will emphasise. An identity that is not based on reflection or self-image is not likely to benefit from symbolic positioning. The risk is that positioning that does not correspond to the identity will cause a communication glitch.

### **7.4 Customer relationships**

The fourth research question was intended to investigate the restrictions on brand development from existing customers. In other words, determine how far the brand can be altered without stressing the customer relationships. The brand compatibility concept has been used to evaluate what range of offerings that can be covered by the Infologigruppen brand. It is of course difficult to find an exact limit to which range of products that the brand can be associated with. However, the target group seem to associate Infologigruppen with product class, IT-consultant services. The result is that the brand can be used for services in the present area, but not to cover products involving manufactured goods. The brand is today associated with consultant services and is compatible as long as this is the main product class. Brand compatibility with the target group seems less limiting than compatibility with product. There is no indication that other customers of the consultant company affect the customer relationships. Neither positive nor negative effects appear from the customers of the consultant firm. Negative effects of competing customers are eliminated by legal means in contracts. References to previous work can be beneficial for new customers, but is probably not adding value to the image in any significant way.

The service offer model presents three components creating value for the customer, availability, interactions and participation. All three are important, but availability is critical when considering the importance of a local presence. It is evident in this case that a consultant company has to be located on the geographical market it aims to compete in.

### **7.5 Evaluation of study**

The purpose of the study, “How to develop the brand of a small service company in order to attract new customers?” puts the traditional branding theory in a different

setting. Branding is studied in the situation of a small company offering services at an industrial market. Practically all theory on branding is based on consumer goods, which causes problems when constructing the research model. The theories used are applicable even if they are not directly intended for industrial markets. However, the consumer-industrial market aspect has to be considered throughout the study.

The conclusions and findings of the study should not be seen as general, since only one brand is studied, but as a first view of how the branding concepts apply to the specific settings of the problem. The findings can in some case be industry specific, valid only for the consultant service industry. It can be difficult to assess exactly how far from the consultancy industry these findings can be transferred without losing relevancy.

The first research question deals with benefits of branding. There are great differences between theory and empirical results. The usual advantages of brand strength, e.g. higher price, are not found. Instead, benefits are more indirect, like the advantages when selling to new customers. This indicates that the present theory is not accurate for the situation of small companies and/or industrial markets.

The second research question is concerned with identity and image, two major concepts in this study. The present theory seems more applicable than in the first research question. However, the results from the study indicate that parts of the identity and image theories do not fit this situation.

The third research question deals with positioning, which is closely linked to the concepts in the second research question. Positioning and image are sometimes difficult to separate; it can be difficult to draw an exact line where positioning ends and image begins. The impact of positioning on image is therefore predictable, but nevertheless is there a link between positioning and the achieved image.

Finally, the fourth research question includes customer relationships in the study. This aspect of brands is usually not mentioned in theory. The lack of theory was overcome by including the brand compatibility concept and service marketing theory. The customer relationships have little influence on the studied brand, at least not directing the way the brand develops. The study is in this way limited to a situation where the customer relationships are not limiting brand development in any significant way. Brand compatibility indicates a limit of possible development or altering of the brand, but of little importance in the present situation.

In some cases have the empirical results not applied on theory, but the reasons for this are difficult to determine. The differences between theory and practice might be caused by the industrial brand in the study, but theories for consumer brands. Another explanation is that the study focused on brands in a small company situation, but the theories refer to larger organisations.

## **7.6 Further research**

This study has used an exploratory approach on issues of branding in the setting of small companies and industrial services. During the research it has become evident that the present theory on branding is focused heavily on consumer goods and brands of larger organisations. This study has only dealt with the branding concepts from the perspective of one company at one market. A suggestion for further research is a

study across markets and industries to find general patterns. Such a study could clarify the difference between industrial and consumer brands.

Further research is also needed to provide a theoretical framework for branding in small companies. Strategy in the present theory for large companies cannot be directly applied on the situation of a small company. The situation of small companies differ in many ways from the large companies, for instance in available resources.

Infologgruppen and its competitors are relying on functional positioning, which probably is the most common for industrial brands. An interesting approach for further research would be to examine the use of symbolic positioning for industrial brands. A study of industrial brands built on symbolic values would provide a more complete picture of how positioning decisions influence image.

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## **Appendix – Interview Guide**

## **Intervjuguide - A**

### **Allmän information**

Respondentens befattning/ansvarsområde

Respondentens ansvar i varumärkesfrågor

### **Varumärket Infologigruppen - identitet**

Hur skulle du beskriva varumärket Infologigruppen?

Vilka anser du är företagets styrkor?

Vilka anser du är företagets svagheter?

Vad skiljer Infologigruppen från konkurrenterna?

### **Varumärkets fördelar**

Vilka fördelar kan uppnås med ett starkt varumärke?

Påverkar varumärket prissättningen?

Vilka kostnader skulle kunna sparas genom ett starkt varumärke?

Vilken marknadsandel har Infologigruppen, på den lokala marknaden?

Kan varumärket användas för att säkra den nuvarande marknadspositionen?

### **Positionering**

Hur arbetar Infologigruppen med att utveckla varumärket?

Vilka värden i varumärket Infologigruppen förmedlas till kunder, nuvarande och tänkbara?

Vilka metoder används för att kommunicera varumärket Infologigruppen?

- Reklam
- Direkt kommunikation med kund
- Direkt kommunikation med tänkbar kund
- Prissättning
- Arbetssätt
- Annan metod

Hur har utformning av varumärket påverkats av konkurrens och konkurrensstrategi?

## **Intervjuguide - B**

### **Allmän information**

Företagsnamn

Respondentens befattning/ansvarsområde

### **Företagets organisation**

Antal anställda?

Hur är företagets organisation strukturerad?

Hur är företaget indelat geografiskt?

### **Företagets verksamhet**

Vad är företagets huvudsakliga verksamhet?

### **Konsulttjänster**

Vilka typer av konsulttjänster används?

Inom vilka tekniska områden anlitas konsulter?

Hur skulle du gradera vikten av följande kriterier vid köp av konsulttjänster?

	Mycket viktigt				oviktigt		
Konsultens kompetens		5	4	3	2	1	
Pris		5	4	3	2	1	
Kvalitet på utfört arbete		5	4	3	2	1	
Renommé		5	4	3	2	1	
Samarbetsförmåga		5	4	3	2	1	
Tidigare uppdrag		5	4	3	2	1	
Övriga kriterier		5	4	3	2	1	

Är kontrakt över lång tid att föredra?

Söker ni aktivt alternativ när det gäller konsulttjänster?

### **Varumärket Infologigruppen – image**

Hur skulle du beskriva varumärket Infologigruppen?

Vad anser du är företagets styrkor?

Vad anser du är svaghetera?

Vad skiljer Infologigruppen från konkurrenterna, gällande:

Arbetsmetoder

Kommunikation

Företagskultur

Prissättning

Andra skillnader

**Kund relationer**

Hur länge har ni anlitat Infologigruppen?

Hur skulle du beskriva relationen till Infologigruppen?

Hur skulle du vilja beskriva kommunikation och samarbete med Infologigruppen?



## **Intervjuguide - C**

### **Allmän information**

Företagsnamn

Respondentens befattning/ansvarsområde

### **Företagets organisation**

Hur många är anställda?

Hur är företagets organisation strukturerad?

Hur är företaget indelat geografiskt?

### **Företagets verksamhet**

Vad är företagets huvudsakliga verksamhet?

### **Konsulttjänster**

Vilka typer av konsulttjänster används?

Till vilken omfattning anlitas tekniska konsulter?

Hur skulle du gradera vikten av följande kriterier vid köp av konsulttjänster?

	Mycket viktigt				oviktigt	
Konsultens kompetens		5	4	3	2	1
Pris		5	4	3	2	1
Kvalitet på utfört arbete		5	4	3	2	1
Renommé		5	4	3	2	1
Samarbetsförmåga		5	4	3	2	1
Tidigare uppdrag		5	4	3	2	1
Övriga kriterier		5	4	3	2	1

Vad är att föredra:

Stort eller litet konsult företag?

Regionalt- eller multinationellt företag?

Specialiserad eller bred kompetens?

### **Konsultföretagens image**

Hur skulle du beskriva ditt intryck av följande företag, m.a.p arbetsmetoder, kommunikation, företagskultur, prissättning eller andra faktorer:

Avantra

Candeo Nordkonsult

Cap Gemini

Frontec

Infologigruppen

WM-data

Annan konsult

Anser du att något av konsultföretagen särskiljer sig från konkurrenterna, positivt eller negativt?

Vilket konsultföretag anser du har det starkaste varumärket, och varför?