

Internal Corporate Brand Building

- *Case Studies of Three Swedish Service Firms*

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Abstract

The brand is often mentioned as the most valuable asset for a firm, and this is especially true for the brand that bears the company name, i.e., the corporate brand. This study's research problem "*what are the major components of internal corporate brand building in service firms?*" is justified both by the potential of the corporate brand to create value for the service firm and its stakeholders, and by the lack of research in this area. Internal corporate brand building refers to the activities that occur before implementation. Furthermore, the corporate brand is often the major brand in service firms, and a strong brand will help the firm to overcome the problems caused by the characteristics of services, such as intangibility, inseparability and heterogeneity. The research problem was divided into two research questions, focusing on the brand building process (Research Question 1) and the brand team involved in the process (Research Question 2). The thesis adopted a qualitative research approach and case studies were conducted in three Swedish service firms. The data was collected mainly through personal interviews with the marketing manager in each firm, but secondary data such as internal documents and the annual report was also used.

The findings support the general framework, although some minor differences were found. Most of the elements found in each step of the internal corporate brand building process, i.e., the brand audit, brand identity and brand position, were supported by previous research. Also, the comparison across cases revealed both differences and similarities. For instance, all firms wanted to strengthen the corporate brand in their brand portfolio (although only one firm used the corporate brand), by reducing sub-brands and by updating their brand identity and brand position. All firms also had associations they wanted to remove from and associations they wanted to add to their corporate brand. The brand team was identified in the three cases, and it was divided into a core brand team and an extended brand team. A formal reference group of employees could, for instance, be identified in the extended brand team, which assisted the core brand team in the brand building process. The marketing manager was identified as the brand champion in two of the three cases. The CEO was also part of the brand team, but did not have the central responsibility of the corporate brand that was suggested in the literature.

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1. Introduction and Research Problem

This chapter introduces the topic for study: building the corporate brand in service firms. Then the historical background of brands is presented, followed by a discussion of corporate brands, corporate brands in service firms, and the value of corporate brands. Corporate brand building is examined from the perspective of a process and the people who are involved in that process. The research problem is stated at the end of the chapter.

1.1 Introduction

"Most brands are why a company exists, and not the other way around" (Davis, 2000, p.5)

Brands has become a natural part of our lives, and appear almost everywhere. They help consumers navigate in a crowded market, reduce risk when purchasing, and enable us to express ourselves (Aaker, 1996). Brands are often referred to as the most valuable asset for a firm (Keller & Lehmann, 2003). Much evidence exists to support this, especially when one examines the price paid for companies with strong brands. For instance, Kraft was purchased by Philip Morris for \$13 billion, six times its book value (Kohli & Takor, 1997). The value of future purchases by loyal customers and the possibility to use the Kraft brand for new products were mentioned as factors to justify the acquisition (ibid). Several types of brands exist, and the concept of the brand has numerous perspectives. Brands are both the mark on the product and the overall value of both functional and emotional nature (Kapferer, 2001). A simple explanation is that brands associate a mark (i.e., a name) with an offer of value (ibid). The functional and emotional values of a brand can be described as a promise of future satisfaction (Berry, 2000). A brand has the potential to transform a product that is similar to others into something that is unique (Salzer-Mörling & Strannegård, 2004).

In Western economies, brands were traditionally developed for packaged goods and used to differentiate between products (Kapferer, 2001). However, firms have realized the power of using the company as a master brand,¹ which has long been adopted in the East (ibid). The established concept for the company brand is the *corporate brand* (Balmer & Gray, 2003). The corporation is a strong candidate for a brand as it conveys credibility, authenticity, ethics, and expertise (ibid). As the corporation itself becomes the focus, the values it represents become key elements of differentiation strategies (Hatch & Schultz, 2003). It is claimed that a strong corporate brand will create positive customer perceptions of existing products and

¹A master brand is the primary brand in a firm's portfolio. A corporate brand is considered a master brand when products use the corporate brand plus a descriptor (e.g., Microsoft Windows). A master brand generates leverage, synergy, and clarity (Aaker, 2004).

new product extensions (ibid). Several authors stress that there is a move in both practice and in theory from product brands toward corporate brands (Knox & Bickerton, 2003; De Chernatony, 2001; Harris & de Chernatony, 2001; Leitch & Richardson, 2003).

In addition, there has also been an increased interest in *service brands* (de Chernatony & Segal-Horn, 2001). The importance of services is evident by the fact that the service sector stands for about two thirds of the GDP and the majority of employment in developed economies (ibid). Several environmental forces have contributed to the increased production of services, including deregulation, privatization, the removal of trade barriers, franchising, and the globalization of services (McDonald et al., 2001). Service brands were long seen as less interesting than product brands (Banducci & Keneally, 2001). This has changed, since most of today's exciting brands (e.g., Starbucks, Amazon) have emerged from the service sector (ibid). The corporate brand is the primary brand for services (Melin, 1999; Berry, 2000). Customers will be more confident trying a brand that uses the name of a well-established firm (McDonald et al., 2001). Compared to packaged goods, services lack the tangibility that allows the brand to be communicated through packaging and labeling (de Chernatony & Segal-Horn, 2001). Because of this, consumers will find it difficult to evaluate a service before, during, and after it is consumed (Krishnan & Hartline, 2001). However, a strong brand guarantees quality and reduces the perceived risk associated with buying an intangible service (ibid). The service brand also helps customers to visualize and understand the service (Berry, 2000).

The corporate brand is a valuable strategic resource that can create a sustainable competitive advantage if managed properly (Aaker, 1996). With a planned approach, employees are more likely to understand brand objectives and their role in building the brand (de Chernatony, 2001). Einwiller and Will (2002) view planning as the most important aspect in building a corporate brand. Despite increased interest, comparatively little research has been conducted in the areas of corporate brands (Knox & Bickerton, 2003, Balmer & Gray, 2003) and service brands (de Chernatony & Segal-Horn, 2001; Krishnan & Hartline, 2001). Additional research is therefore needed in the area of building a corporate brand within service firms.

1.2 Background

The English word *brand* descends from the old Norse word *brandr*, which refers to the branding of cattle. The word was spread in England by the Vikings and eventually incorporated into daily language (Riezebos, 2003). Evidence of the practice to "brand in" an ownership mark on cattle can be found on prehistoric

Egyptian wall paintings and also in European cave paintings from the Bronze Age (Melin, 1999). The first branded product, an oil lamp, was produced in Roman times (Perry, 2005). The real breakthrough for brands in business did not come until the 19th century (ibid). A number of factors contributed to this: new production techniques, improved transportation, the evolution of mass media, and the availability of stores that enabled companies to reach large audiences (Perry, 2005; Riezebos, 2003). For the customer, brands became a sign of quality, thus reducing the risk of purchase (Perry, 2005). Brands like Schweppes (1798), Ballantine's (1809), Heinz (1869), Coca Cola (1886), and Kodak (1887) are examples of early brands that have not only survived but also prospered (Riezebos, 2003). Knox and Bickerton (2003) argue that the first attempt within brand management literature was the concept of brand image, which was studied by Boulding in 1956.

Until the 1970s, brands were used for packaged consumer goods and owned by manufacturers (Perry, 2005; Melin, 1999). Manufacturers were then challenged by retail brands that offered lower prices and closer contact with customers (Melin, 1999). In the 1980s and 1990s, brands became competitive tools for service companies. Today, the battle for brands between producers and retailers is fierce (ibid). The brand concept is the same for goods and services, since all brands are intangible (de Chernatony & Segal-Horn, 2001). The difference lies in the implementation of the brand: service brands represent something intangible, while brands for physical products represent something tangible (ibid). For services, the company name is often used as the primary brand (Melin, 1999; Berry, 2000). This means that all of the company's actions will influence customer perception of the brand (ibid). Manufacturers of physical goods have also realized the value of company brands. One example is the introduction of the Saturn brand in 1985, which focused on the company and staff (Kapferer, 2001). This was an evidence of the return of using the company name as a brand (ibid).

In the early 1990s several branding and communication consultants started to assess the concept company brand. Researchers argue that the company brand is most important and that the CEO is responsible for this brand. With few exceptions, the company brand received little attention until 1995. A new, more encompassing and strategic-sounding label appeared: the corporate brand (Balmer & Gray, 2003). Interest in the corporate brand concept is a relatively new topic in the academic literature. The word *corporate* derives from the Latin word *corpus*, meaning "body" (Kapferer, 2001). A brand on the top level is not confined to a single company; there are a number of corporate entities such as corporations, subsidiaries, and networks (ibid). This increased interest in corporate brands came from a desire to increase the meaning and depth of business (Kapferer, 2001; Knox & Bickerton, 2003). The meaning of corporate brands is discussed next.

1.3 The Corporate Brand

The word *brand* has multiple interpretations. Stern (2006) claims that the brand concept has become overdefined, resulting in a number of different meanings. This has caused problems for researchers, who may study the same concept under different names or different concepts under the same name (ibid). Stern suggests that “both literal and metaphorical meanings are considered important aspects of construct definition, whereby everyday language is translated into formal language terms for scientific discourse” (p. 217). Stern argues that the word *brand* can be classified as both an entity and a process, depending on whether it is used as a noun or as a verb. When expressed as a noun, it is connected to a person, place, or thing; as a verb, it refers to the process of making a product meaningful (i.e., the naming or positioning of a product). Dual-function brand concepts such as brand identity and brand reputation (both used as nouns) show the flexibility of this concept. The words *branding* and *branded*, on the other hand, are used as verbs to indicate how a brand’s meaning changes over time. Stern further comments that in the physical world, a brand is a name or mark associated to a product while it in the minds of people refers to a mental representation or perception of a psychological meaning.

The American Marketing Association (1960) defines a brand as “a name, term, sign, symbol, design or a combination of them, intended to identify the goods and services of one seller or group of sellers and to differentiate them from those of competition.” Although still relevant, this definition does not cover the intangible aspects that are important for creating value and building relationships (Aaker, 1996). In contrast, de Chernatony (2001b) defines a corporate brand as “a cluster of functional and emotional values which promises stakeholders a particular experience” (p.4). The definition highlights the intangible components (i.e., functional and emotional values) of the brand, which in this study, are more relevant compared to the tangible components. While the first definition only considers brands for products, the second definition can be applied to the product or corporate level.

Knox and Bickerton (2003) further define the corporate brand as “the visual, verbal and behavioral expression of an organization’s unique business model” (p. 1013).² This holistic definition reflects the fact that the corporate brand is expressed in numerous ways, not only through marketing. It falls under the strategic school³ of corporate brand literature, which focuses on strategy, culture,

² A business model can be defined as an abstract representation of some aspect of the firm’s strategy. A firm’s strategy is specific to a particular firm, while a business model may apply to more than one firm. A firm’s strategy can be represented by several business models (Seddon & Lewis, 2003). Thus, this definition is somewhat inaccurate since a business model is not unique by definition.

³ Balmer (1995) divides brand management perspectives into the strategic school and the strategic visual school; the latter uses graphic design to signal a change in corporate strategy.

and communication (Balmer, 1995). The corporate brand concept has evolved from marketing and organization research, in which corporate identity⁴ is closely related to the corporate brand (Knox & Bickerton, 2003). Ind (1997) argues that corporate brands are not only about visual representations like name and logo but also history, values, reputation, and staff. The holistic perspective on brand management⁵ is shared by Harris and de Chernatony (2001), who argue that all members of an organization must behave according to the brand identity. Riel and Balmer et al (1997) define the corporate brand as “an organization’s ethos, aims, and values that create a sense of individuality which differentiates a brand.” Similarly, Einwiller and Will (2002) define corporate branding as “a systematically planned and implemented process of creating and maintaining favorable images and consequently a favorable reputation of the company as a whole by sending signals to all stakeholders by managing behavior, communication, and symbolism” (p. 101). This study focuses on the corporate brand (i.e., a noun), and because of its clarity and versatility, the previously mentioned definition by de Chernatony (2001b) will be adopted in this thesis. Furthermore, when the brand concept is referred to as a verb, the word *branding* will be used instead. According to Stern (2006), branding deals with the process of making a product meaningful.

Although definitions of brands tend to be universal, the execution of corporate brands and products brands are not. A key difference between a corporate brand and a product brand is that responsibility for the former lies at a higher level in the organization (Balmer, 2001). The corporate brand is communicated to stakeholders through various facets, while a product brand is primarily communicated to customers through advertising (Hatch & Schultz, 2003). Another important difference is that product brands tend to become similar over time (Aaker, 2004). An organization, on the other hand, inevitably differs from other organizations. The challenge lies in making these organizational characteristics relevant to customers (ibid). Hatch and Schultz (2003) state:

Corporate branding takes on strategic importance relative to the functional (marketing and sales) importance typically accorded a product brand. The strategic importance of corporate branding lies not only in its positioning of the company in its marketplace, but in creating internal arrangements (e.g. organizational structure, physical design and culture) that support the meaning of the corporate brand. (p. 1046)

Corporate brands rest on the successful interplay between strategic vision, organizational culture, and corporate image (ibid). Similarly, Harris and de Chernatony (2001) claim that one of the key differences between managing product brands and corporate brands is that the latter requires greater focus within the organization and thus greater coordination of activities (ibid).

⁴ Corporate identity will be discussed further in Chapter 2.

⁵ Brand management is the common term in the literature (Melin, 1999).

Balmer and Gray (2003) stated that King was being ahead of his time when he in 1991 wrote about the corporate brand (although he used the term company brand). King (1991) notes that managers are not used to thinking of companies as brands. He argues that for a product-based brand, like Coca Cola, the 4P-framework (marketing mix) is sufficient if conducted properly. However, when the company is the brand, there are far more contact points. All stakeholders⁶ are relevant, and more channels of communication are used. Any information about the company, from general publicity to employee behavior, will influence the brand. The major task is to present the corporate brand coherently and consistently. This is more challenging than creating a classic, product-based brand (ibid). Further challenges arise when corporate brands are used for services, as explained in the next section.

1.3.1 *The Corporate Brand in the Service Sector*

According to Berry (2000), branding is the cornerstone of service marketing for the 21st century; the corporate brand is the primary brand for service firms. In services, the corporate brand builds on the identity of the corporation to offer a distinct promise to customers, shaped by all members of the organization (de Chernatony & Segal-Horn, 2003). Both service brands and corporate brands involve multiple interfaces, and employees are an important part of communicating the brand (ibid).

Because of the intangibility, heterogeneity and inseparability of services, there are specific challenges to branding services (de Chernatony & Segal-Horn, 2001). Service firms can use their corporate brand to overcome *intangibility*. Without a brand, customers might view the service as a series of standardized actions (McDonald et al., 2001). There is higher risk associated with intangible products. Customers must trust the company through its brand, which helps consumers to visualize the service (ibid).

Risk also results from the *heterogeneous* nature of services. A service cannot be produced in the factory and checked for quality before it is delivered to customers (Lovelock & Wirz, 2004). Services are delivered by staff, whose understanding, commitment, behavior, and performance are vital to the success of a brand (de Chernatony & Segal-Horn, 2001). Services must become more tangible through clear reference points, such as physical elements like furniture and building design. Fixed elements create a consistent offering, which is necessary to build the brand (McDonald et al., 2001).

⁶ The stakeholders are those groups that have either an economic interest or an economic impact over the company, including employees, customers, investors, suppliers, partners, regulators, special interest groups, and local communities (Hatch & Schultz, 2003; Bickerton, 2000).

Another important characteristic for branding services is *inseparability*, meaning that the brand promise is delivered through staff and customer interaction (Lovelock & Wirz, 2004). Services are usually produced on a regular basis with the customer, while products are bought by customers who are not a part of the production process. Therefore, service providers have more opportunities to create a positive impression and strengthen their brands. To take advantage of their potential, service companies should align processes, organizational structures, and the physical environment to deliver a consistent superior service (ibid). Due to the characteristic of inseparability, internal implementation of the brand is very important for services (de Chernatony & Segal-Horn, 2001).

Thus, the corporate brand in the service sector plays an important role for a firm, and needs to be carefully managed. Its importance can further be explained by the value it creates, as discussed next.

1.3.2 *The Value of the Corporate Brand*

Brands create value for the organization and its customers through *brand equity* (De Chernatony, 2001). Brand equity (Aaker, 1996) is defined as “the added value with which a brand endows a product.” According to Davis (2000), the brand is the most powerful weapon that the firm has at its disposal. Corporate brands can be used as master brands (Aaker, 2004) and have a longer life than product brands (Hatch & Schultz, 2003). As Hatch and Schultz (2003) comment, product brands live in the present while corporate brands live both in the past, present and the future. Differentiation is not enough in business today, it is also important that the sender of a message represents the real source (i.e., the company behind the brand), which is the case for the corporate brand (Kapferer, 2001). Businesses that come from a corporate body reassure stakeholders in insecure times (Kapferer, 2001). Moreover, as businesses are becoming more global, firms tend to emphasize corporate brands instead of product brands (Hatch & Schulz, 2003). The increased use of the corporate brand is also a response to the imitation and homogenization of products as well as the fragmentation of markets (ibid).

The corporate brand is a strategic resource that guides the business and creates value (ibid). A general advantage to corporate brands is the economies of scale that it generates in all aspects of communication, compared to the promotion of individual line brands (de Chernatony, 2001; McDonald et al., 2001). As a result of strong brand values, higher prices can be charged for products, and sales volumes are likely to increase (Treffner & Gajland, 2001). It is easier to introduce new services under the existing brand name, but it can be difficult to enter new markets

if the brand does not fit the new customer segment (McDonald et al., 2001). In addition, if a new line fails, then more damage could occur than with a firm that practices individual branding (ibid). The power of the corporate brand is clearly demonstrated by Interbrand's⁸ list of the world's 100 strongest brands, of which a vast majority is corporate brands.

By creating clusters of functional and emotional values for their brands, firms can add value to the lives of customers (de Chernatony, 2001). Customers generally do not create relationships with individual products or services, but it might do so with a brand (which represents a set of promises) (Davis, 2000). Kapferer (2001) argues that customers consume all facets of the brand's identity: physical aspects, personality, and implicit relation. Consumers perceive the brand's identity through its relation to the outside world and through their self-image. Through this identity, the brand tries to achieve a strong emotional bond to the consumer, which gives the brand a special quality. Consequently, the brand becomes a guarantee of quality and reduces the perceived risk of purchasing the service (ibid).

The art of creating strong brands with compelling functional and emotional values is usually described in the context of a brand building process, and a brief examination of that area will now follow.

1.4 Building Corporate Brands and Service Brands

Several authors propose a structured approach to branding (e.g., Aaker 1996; Urde, 2003). Melin (1999) suggests a process in which a company transforms a registered trademark into the strategic resource in the form of a brand capital, i.e., the brand building process. Each *brand building process* has a unique focus. Though most models were developed for product-based brands (de Chernatony & Segal-Horn, 2003), some general themes exist among general brand building processes (e.g., Aaker, 1996; de Chernatony, 2001; Melin, 1999; Keller, 2003), corporate brand building processes (e.g., Urde, 2003; Knox & Bickerton, 2003), and service brand building processes (e.g., de Harris & de Chernatony, 2001).

1.4.1 The Brand Building Process

The brand building process consists of sequential steps, and it often begins with an analysis of internal and external factors affecting the brand building process, i.e., a *brand audit*. The company's mission, culture, and brand architecture are the most important internal factors for the brand building process; customers and

⁸The Interbrand Corporation (www.interbrand.com) is a leading brand consultancy, founded in 1974 and headquartered in New York (Interbrand, 2005).

competitors, the most important external factors. After the context for building the brand is understood, the company must define the core nature of the brand, often described as the *brand's identity*. Moreover, the company needs a clear idea of how the brand should be communicated; this is often referred to as the *brand's position*. An *internal* and *external implementation* of the brand follows. The process usually ends with *feedback* and *evaluation* to ensure that the building of the brand is an ongoing process (Aaker, 1996; de Chernatony, 2001; Melin, 1999; Keller, 2003; Urde, 2003; Knox & Bickerton, 2003).

The basic characteristics of services require special consideration for the brand-building process. The intangible nature of services and the importance of staff-customer interaction mean that it is important to integrate internal activities in order to achieve consistent delivery of the corporate brand (de Chernatony, 2001).

1.4.2 *People Involved in the Brand Building Process*

Success in building a corporate brand ultimately depends on the people involved in the process (de Chernatony, 2001). A challenge in the brand building process is to develop a common understanding of the core nature of the brand. Management must ascertain that the values of employees are aligned with the brand values; otherwise, the firm will send out inconsistent messages about the brand (ibid). According to Balmer and Gray (2003), the corporate brand is the most important brand, and it is the CEO who is ultimately responsible for it. However, all personnel assume general responsibility for the corporate brand (Balmer, 2001). Furthermore, de Chernatony (2001) claims that the responsibility of brand management has shifted from brand managers to brand teams. A brand team is suitable for corporate brand building, since it relies on the coordination of the whole company. Corporate brands not only focus on customers but require a more balanced approach to satisfy different stakeholders (ibid). The staff plays a crucial role in building the brand as their behavior is the greatest influence in forming brand perceptions among stakeholders (de Chernatony & Segal-Horn, 2003).

1.5 Research Problem

Branding is considered a top ten research priority by the Marketing Science Institute for 2005. The area currently attracting the most attention is the corporate brand (Balmer & Gray, 2003; Knox & Bickerton, 2003). Many researchers claim that the focus has shifted from product brands to corporate brands. The interest in corporate brands has increased due to changes in the business environment; customers are far more confident and less risk averse, which means that a brand cannot rely only on predictability (Knox, 2004). Customers want to know the principles and ethics behind a brand; corporate brands provide credibility (Kapferer

2001; de Chernatony, 2001; Urde, 2003). They also have the potential to touch customers in ways that are not possible for product brands (Knox, 2004). Since corporate branding is a relatively new area, there is a lack of research in this field (Knox & Bickerton, 2003; Einwiller & Will, 2002). There are also many branding models that lack empirical testing (Grace & O’Cass, 2002). Keller (as cited in Knox & Bickerton, 2003) comments that many organizations are unsure of what they should do to manage their corporate brand.

Attention to service brands has also increased, motivated by the fact that services account for the major part of GNP in developed countries; thus, they are a driving force for many market economies (OECD, 2001). Due to the special characteristics of services, branding is both more challenging but also very important for services (de Chernatony & Segal-Horn, 2001). Despite the importance of service brands, there remains a lack of research in the area (de Chernatony & Segal-Horn, 2001; de Chernatony & Segal-Horn, 2003; Krishnan & Hartline, 2001). Service companies usually rely on corporate brands (Berry, 2000) and branding on the corporate level is more challenging, since this calls for a company-wide approach (de Chernatony, 2001). As an intangible and risky purchase, the brand can reassure the customer and add functional as well as emotional value (ibid).

An ongoing, systematic brand building process is important for creating a strong brand (Aaker, 1996; de Chernatony, 2001; Melin, 1999; Urde, 2003; Einwiller & Will, 2002). Furthermore, Melin (1999) claims that the branding literature is fragmented and lacks a model that describes brand building from the perspective of the firm. Knox and Bickerton (2003) also state that most of the research regarding corporate brand building is conceptual. Empirical research would aid companies in managing their corporate brand (ibid). Based on the discussion so far, the research problem is stated as:

What are the major components of corporate brand building in service firms?

Most of the corporate brand building literature focuses on activities that occur before the brand is implemented (e.g., Aaker, 1996; de Chernatony, 2001). Also, Einwiller and Will (2002) argue that planning is the most important aspect in building a corporate brand. This paper will focus on brand building before implementation. Brand building that occur before implementation will be categorized as internal (Urde, 2003). Considering the issues discussed in this paragraph, the research problem is further narrowed down as:

What are the major components of internal corporate brand building in service firms?

The word *brand* has several metaphorical uses (Stern, 2006). For instance, Stern claims that brand personality compares a brand to the traits used to describe people, while brand identity describes the central, enduring, and distinctive traits common to both the brand and people. Moreover, brand reputation compares the character of a person (e.g., being highly regarded) with a brand. Brand reputation is a new metaphor that was created by researchers to modify previous metaphors; while brand image compares the brand name and symbol with how it is represented in the mind of the consumer. (ibid)

Brand metaphors will be used in this study. Brand identity is the central step of the brand building process and is interpreted as how the firm wants the brand to be perceived (Aaker, 1996). This differs from the concept of brand image, which refers to how customers actually perceive the brand (ibid). Since this study only looks at branding from the perspective of firms, brand image is not analyzed. Similarly, brand reputation is not examined; this consumer-controlled perception (Brown et al., as cited in Stern, 2006) is not recognized as a step in the brand building process as conducted by the firm. Furthermore, Aaker (1996) includes brand personality as one category of associations on which the brand identity is built. Therefore, brand personality is treated as a sub-concept of brand identity in this study. Furthermore, this study will adopt the marketing perspective of corporate brands, which is based on the brand management literature.

1.6 Outline of the Thesis

The outline of this thesis is presented in Figure 1.1. Chapter 2 reviews the literature on brands, corporate brands, and service brands. Chapter 3 discusses the research questions, a conceptual framework is developed and theoretical terms are being conceptualized. Chapter 4 describes the methodology used throughout the study; Chapter 5 presents the empirical data; and Chapter 6 analyzes the data. The final chapter provides conclusions and findings.

Chapter 1	Introduction and Research Problem
Chapter 2	Literature Review
Chapter 3	Research Questions and Conceptualization
Chapter 4	Methodology
Chapter 5	Empirical Data
Chapter 6	Analysis
Chapter 7	Conclusions and Findings

Figure 1.1: Outline of the Thesis

2. Literature Review

In this chapter, theory connected to the research problem will be discussed. The theory will be used to develop this study's research questions and conceptual framework in chapter three.

2.1 Introduction

This chapter describes theories related to the internal corporate brand-building process in service firms. Figure 2.1 describes the structure of this chapter. The theory in this chapter is based on three theoretical areas: brand management literature, corporate brands, and service brands. All areas relate to and overlap with each other. Due to the lack of research in corporate and service brands, brand management literature will be primarily used. Since the corporate brand literature and the service brand literature build on general brand management theory, the latter is useful to the specific context of this study. This chapter is divided into three main parts. First, the characteristics of the corporate brand, its role in the brand portfolio, its similarities with the corporate identity, and the corporate brand in service firms will be discussed. Second, key concepts for building brands will be presented in detail. The final section examines the brand building process and brand team.

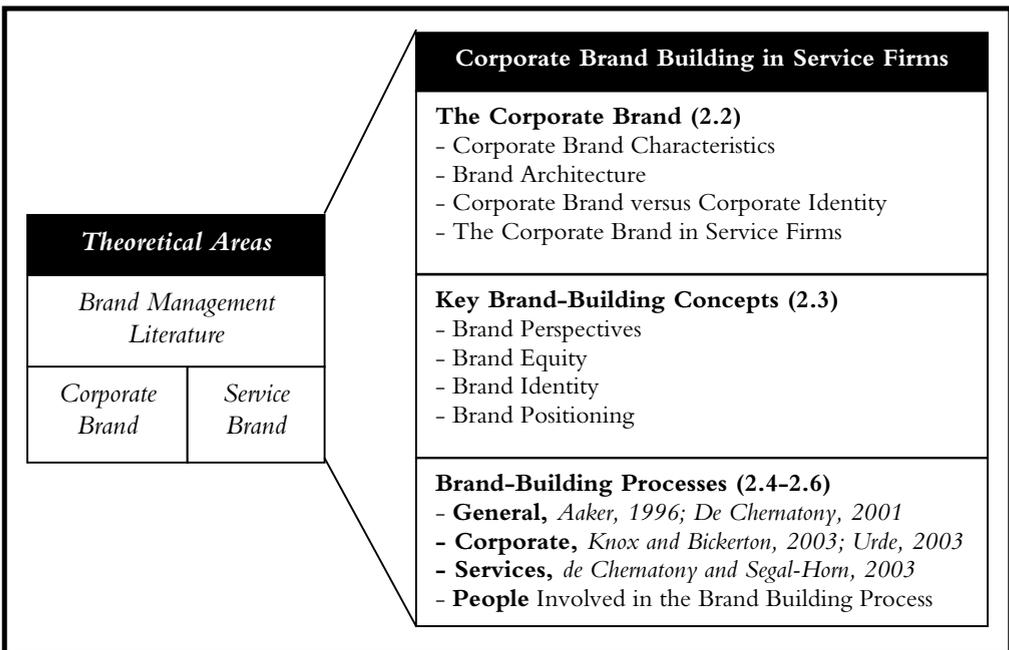


Figure 2.1: Layout of Chapter Two

2.2 The Corporate Brand

As stated in chapter 1, corporate brands has received increased attention in the academic literature over the past decade (e.g. Balmer & Gray, 2003; Balmer, 1995, 2001; Knox & Bickerton, 2003; Urde, 2003; Harris & de Chernatony, 2001; de Chernatony, 2001; Bickerton, 2000; Aaker, 2004). Einwiller and Will (2002) discuss a number of factors that have led to an increased interest in corporate brands. Strong corporate brands are important for capital markets and influence stock prices. Another factor is that a strong corporate brand will be useful to attract talented staff. The increasing sophistication of consumers results in an increased interest in the company behind a product. Also, product brands benefit from having strong associations with corporate values. Furthermore, the possibilities of the Internet to share information, increases stakeholders' demand for transparency. Finally, Einwiller and Will (2002) claim that the corporate brand can help to resolve coordination and identity problems for multinational corporations.

The corporate brand is recognized as a strategic tool that creates value for the organization (ibid). However, organizations are not static; they evolve in response to the environment (Ind, 1997). Even if the company defines itself in one way, other stakeholders might perceive it differently. Porter (as cited in Ind, 1997) argues that products tend to become commodities, due to the fact that customers make decisions based on better information and that competitors imitate successful companies. Consumers need less reassurance from the product brand name; instead, the corporate brand is the differentiator. Accordingly, consumers want to know who is behind a brand and if the firm has principles (de Chernatony, 2001; Knox & Bickerton, 2003).

To better understand the challenges associated with corporate brands, their special characteristics will be examined more closely. These characteristics can also justify why corporate brands have the potential to become a valuable strategic resource and a source of competitive advantage (Balmer & Gray, 2003).

2.2.1 *Corporate Brand Characteristics*

Corporate brands have special characteristics that require different management than product brands. Corporate branding seeks to create differentiation and preference, but this is more complex as it is done at the level of the organization. Furthermore, managing brands at the corporate level require interactions with multiple stakeholders, not just consumers (Balmer & Gray, 2003).

Corporate brands are not only about visual representations, like name and logo, but also history, values, reputation, and people (Ind, 1997). Balmer (2003) claims that corporate brands require a major reappraisal of branding and the marketing

discipline in general. He argues that corporate brands are fundamentally different from product brands; that corporate brands are aimed at multiple stakeholders rather than customers; and that the traditional marketing framework must be revised.

Ind (1997) argues that the corporate brand is defined by intangibility, complexity, and responsibility. Brands at the corporate level are less tangible than at the product level, since they represent a diverse set of attributes. External stakeholders perceive the firm through its organizational image. To influence this image, the company must be consistent and create tangibility for intangible elements. The complexity of the corporate brand depends on the number of people, divisions, and products involved. Different cultures may also exist within an organization. Even a company like Unilever, that used to rely on individual brands, has started to defend itself against own-label brands by including its corporate name on its products. This leads to economies of communication. When the corporate name is used on products, the experience of using that product will heavily impact a customer's attitude toward the organization. Still, a number of other factors will influence attitudes, such as advertising, public relations, direct marketing, and employee behavior. A structure and system that encourages convergence through a shared vision is necessary to achieve consistency; the corporate brand can act as the glue that makes this possible. The third characteristic of corporate brands is responsibility. Corporate brands have a social responsibility, since consumers are not only buying products, but also a set of values (ibid).

According to Balmer and Gray (2003), the value of the corporate brand comes from its ability to differentiate itself in the mind of stakeholders. The corporate brand stands for values that provide quality, consistency, and trust for stakeholders. The corporate brand can also be used for product extensions, but the underlying values of the corporate brand will decide how far it can be extended. An example of a corporate brand with values that have enabled it to be stretched far is Virgin. Corporate brands also facilitate relations with investors and venture partners. Moreover, it can be bought and sold as a transferable asset and the financial value of corporate brands can be enormous, as shown by Coca-Cola. Furthermore, the corporate brand has an important role in the recruitment and retention of employees. A strong corporate brand will help the human resource department to select, train, and motivate employees. Finally, it can help a company to survive a crisis, thanks to a positive reputation and trust from stakeholders (ibid).

The corporate brand is one of several options in organizing brands. The role of the corporate brand in the brand portfolio will be explained in the next section.

2.2.2 The Role of the Corporate Brand in the Brand Portfolio

A company has a number of alternatives for managing their brand portfolio. This is usually described under the term *brand architecture*. Brand architecture is defined as “the way in which companies organize, manage and go to market with their brand” (Petromili et al., 2002, p. 23). Two common types of brand architecture are the branded house and the house of brands. A *branded house* refers to a single brand that is used for all products, sometimes with a descriptive sub-brand name. At the other end of the spectrum, a *house of brands* refers to a number of independent individual brands; Procter and Gamble is one example. A combination of these strategies can also be used (ibid). Melin (1999) argues that the choice of brand strategy depends on the pay-off between flexibility and cost effectiveness, describing levels of family brand, sub-brand, and individual brands (see Figure 2.2).

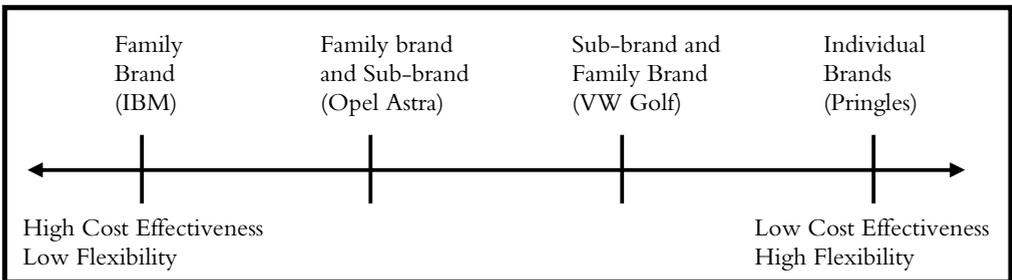


Figure 2.2: Alternative Brand Strategies

Source: Melin, 1999, p. 108

Balmer (1995) explains three types of relationships between the corporate brand and the product brand. *Brand dominance* refers to product brands that are not related to the corporate brand (e.g., brands within Nestlé, for instance Buitoni). *Equal dominance* is used when product brands are linked to corporate brands (e.g., Microsoft Windows), while *corporate dominance* occurs when the corporate brand is used for all products (e.g., Nike). Similarly, Olins (as cited in Balmer & Gray, 2003) describes three brand architecture strategies: *monolithic*, in which the corporate name is used for all products and services within the company (comparable to branded house and corporate dominance); *endorsed*, in which all sub-brands are linked to the corporate name, which is used as an endorser (comparable to equal dominance); and *branded*, in which the corporate name acts as a holding company and individual brands are used for its target market (comparable to house of brands and brand dominance).

Similarly, Urde (2003) identifies four basic brand architectures by using the dimensions of *core values* and *brand identity* (see Figure 2.3, next page). Corporate

brands have shared core values, while product brands have individual core values. The corporate and product brand can also be used concurrently. Depending on the impact of the corporate or product brand when combined, two other options exist: corporate- and product brand or product- and corporate brand (Urde, 2003). Furthermore, Urde discusses the relationship between core values for corporate brands and product brands (Figure 2.3).

		Shared	CORE VALUES	Individual
IDENTITY	Individual	Corporate Brand Volvo		Product brand AEG, Husqvarna The Electrolux Group
	Shared	Corporate- and Product Brand SAS Eurobonus		Product- and Corporate Brand Nicorette Pharmacia Corporation

Figure 2.3: Brand Architectures with Different Roles for the Corporate Brand
Source: Urde, 2003, p. 1029

As seen from model 2.4, core values become a link between the corporate brand and the product brand. They provide credibility to the corporate brand while differentiating product brands (ibid). According to Aaker (2004), the corporate brand plays a prominent role in the brand portfolio.

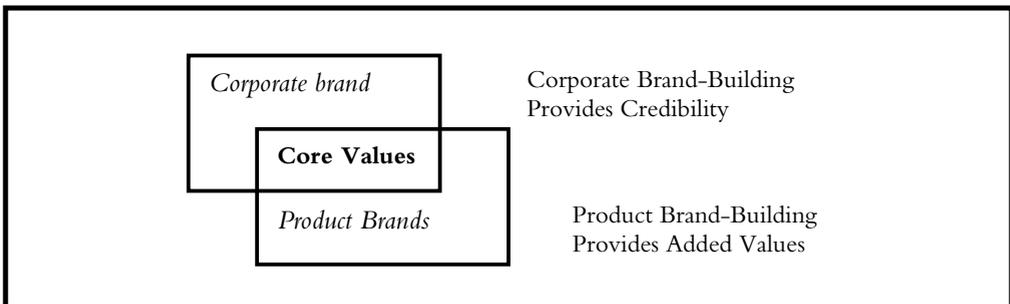


Figure 2.4: Core Value Framework Linking a Corporate Brand to Product Brands
Source: Urde, 2003, p. 1029

The corporate brand can be used as a master brand, similar to the branded house, monolithic strategy, and corporate dominance (UPS and Dell are examples). In this approach, products carry the corporate name along with a descriptor (ibid). Aaker

(1996) also believes that the corporate brand can work as an endorser that gives credibility to the product (i.e. MSN by Microsoft and Lion King by Disney).

2.2.3 Corporate Brand vs. Corporate Identity

The Corporate identity has been a significant contributor to the corporate brand concept. The area of corporate identity has recently seen cross-disciplinary contacts among academics and practitioners (Balmer, 1998). One result is the increased use of the term *corporate brand*, which aligns the area more closely with marketing (ibid). One advantage to using this term is that the corporate brand is not confused with visual identification (ibid). The two concepts are related and often used interchangeably, but there are important differences (Balmer & Gray, 2003). All entities have an identity, but not all entities need a corporate brand. The corporate brand is a supra set of values that are well-defined and clearly articulated. They are broadly constant over time, and require total commitment all facets of the organization, and should be congruent with corporate brand values (ibid). Balmer (2001) explains that “a corporate brand involves the conscious decision by senior management to distil and make known the attributes of the organization’s identity in the form of a clearly defined branding proposition” (p. 281). The identity of the organization, therefore, lays the foundation for the corporate brand. Table 2.1 summarizes the differences between the two concepts with respect to several issues.

Table 2.1: A Comparison of Corporate Identities and Corporate Brands

	Corporate Identity	Corporate Brands
Applicable to all organizations?	Yes	No
Stability of attributes	Constantly evolving	Relatively stable
Applicability	Normally a single entity	Normally a single entity
Management responsibility	CEO	CEO
Functional responsibility	All functions	All functions
Principal drivers	Strategy, culture, vision	Branding covenant, culture
Gestation	Short	Medium/long
Stakeholder focus	Mainly internal, sometimes also external stakeholders	Mainly external, internal stakeholders also important
Desired profile among internal and external stakeholder groups	Variable	Normally high
Importance of controlled communication	Variable	Normally crucial
Portability	Normally difficult	Variable
Financial goodwill	Variable	Can be very high

Source: Adapted from Balmer and Gray, 2003, p. 981

2.2.4 The Corporate Brand in Service Firms

For services, Berry (2000) states that the corporate brand is the primary brand. However, as put forth by Devlin (2003), this might be a simplistic view of the brand strategy used in service firms. In his findings from the financial sector, there was little support for using a single corporate brand or individual brands. Instead, the most common approach was a multi-corporate strategy in which “a family of main brands is incorporated into an organization’s brand architecture” (Devlin, p. 1063). Nevertheless, many researchers propose that service firms should use the company as the brand name (de Chernatony & Segal-Horn, 2001; de Chernatony & Segal-Horn, 2003; Berry, 2000; McDonald et al., 2001).

Due to the popularity of monolithic strategies, which use the corporate name for all services offered, it is important for companies to be consistent (de Chernatony & Segal-Horn, 2003). Many issues in service branding require a company-wide approach (ibid). As de Chernatony and Segal-Horn (2001) comment, service brands have more contact points with stakeholders compared to product brands. Thus, there is a need to integrate the internal communication strategy (ibid). The unique characteristics of services call for improved theory to develop successful service brands (de Chernatony & Segal-Horn, 2003). These special characteristics and their implications in branding will be discussed in the following section.

2.2.4.1 Service Brand Characteristics

There is considerable discussion in the literature regarding the distinction between services and physical goods. Often, it is difficult to refer to a product as a pure service or a pure good. Services are differentiated from goods by intangibility, inseparability, heterogeneity, and perishability (Lovelock & Gummesson, 2004). Most products have both intangible and tangible components (de Chernatony & Segal-Horn, 2001). The difference between services and goods is not absolute but rather two ends of a continuum (Shostak, 1977). An offer consists of different elements, some of which are tangible and others which are intangible. When the intangible elements dominate, it is referred to as a service (ibid). A service with regard to this approach is then a product for which the intangible characteristics dominate. However, the most obvious characteristic of services is *intangibility* (Lovelock & Gummesson, 2004). Intangibility means that a service cannot be seen or touched, which make it difficult for the customer to evaluate prior, during, and after it is consumed (ibid). The company brand, reinforced by a clear identity, can serve as an important way to overcome this problem as it evokes clear functional and emotional values (McDonald as cited in de Chernatony & Segal-Horn, 2001). The challenge is to define and represent the brand’s values (de Chernatony & Segal-Horn, 2001). Service firms also rely on tangibles, such as uniforms and office décor, to give cues about the brand values (ibid).

De Chernatony and Segal-Horn (2001) suggest a product-service continuum conceptualized by using a number of matrixes to classify service brands. However, it is not the proportion of intangibles to tangibles that decides how the brand promised is fulfilled. Another key characteristic of services brands is *inseparability*. Inseparability means that the service is produced and consumed simultaneously through the interaction between customers and staff (Lovelock & Gummesson, 2004). Consequently, the motivation, attitude, competence, and commitment of the staff are critical to how customers perceive the brand (de Chernatony & Segal-Horn, 2001).

For services, *heterogeneity* means that it is difficult to achieve a uniform output (Lovelock & Gummesson, 2004). Unlike physical products, services cannot be controlled internally and be unseen by customer before they are delivered (ibid). The value delivery system for services is visible to consumers, who are also involved in the production of the service. Consequently, there is a need for a consistent delivery of the service across all points of contact (de Chernatony & Segal-Horn, 2003). Finally, *perishability* refers to the fact that services cannot be stored for later use (Lovelock & Gummesson, 2004). Perishability is not a key factor in building a brand but an issue for achieving efficiency in the production of services (ibid). Due to these special characteristics, classical branding models must be rebalanced with a larger focus on internal issues (de Chernatony, 2001). Internal communication of the brand is necessary for the staff to understand brand benefits (de Chernatony & Segal-Horn, 2001). De Chernatony and Segal-Horn (2003) stress the importance of aligning brand values with the organizational culture.

Berry (2000) describes the principal components of a service brand (Figure 2.4). The primary impact between two components is represented by the bold lines; the dotted lines represent secondary impact. *Brand equity* can be described as the advantage (or disadvantage) that the branded service has over an unnamed competitor.

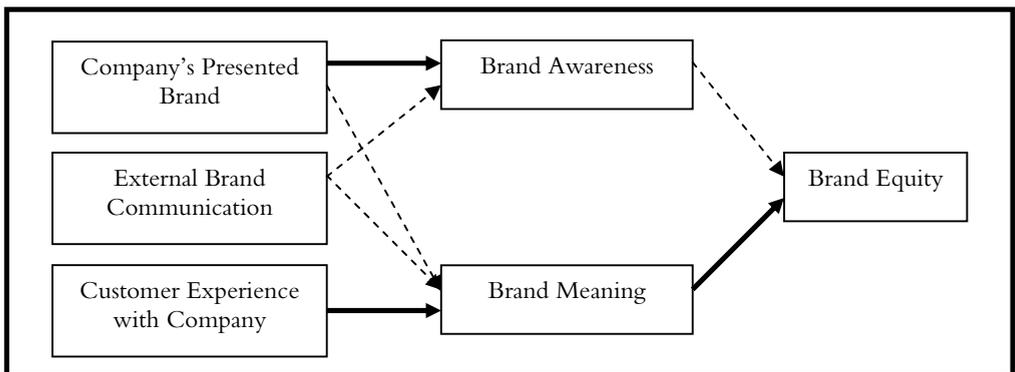


Figure 2.5: Principal Components of a Service Brand

Source: Berry, 2000, p. 131

Thus, the most important factors for building brand equity come from the *meaning* of the brand, which in turn is mainly influenced by the experience that the customer has with the company.

Brand awareness is a part of brand equity, primarily shaped from the *company's presented brand*, the controlled communication of its identity through advertising, service facilities, and the appearance of service providers. Information outside of the firm's control, such as word-of-mouth and publicity, is called *external brand communication*. This component has a secondary impact on both brand awareness and brand meaning (Berry, 2000). To conclude, a strong service brand is mainly created through the delivery of the service brand, an area that now will be further discussed.

2.2.4.2 *Delivering the Service Brand*

As previously mentioned, the concept of brand equally applies to services and goods, since the brand is an intangible concept. The difference between goods and services is that the service brand represents something intangible, while brands for physical goods represent something tangible (de Chernatony & Segal-Horn, 2001). One definition that suits service brands is the notion of the brand as a promise (de Chernatony & Segal-Horn, 2003). For this promise to be fulfilled, customer perception of delivery must match expectations (ibid). In contrast to product brands, which raise expectations through advertising, service brands must emphasize internal communication of the brand. Employees must understand the brand promise and be able to deliver it (ibid). Also, price should play a minimal role in advertising the service brand; otherwise, it becomes more difficult to connect emotionally with the customer (Berry, 2000). Service brands focus on multiple stakeholders, especially staff, compared to the consumer focus of product brands (de Chernatony & Segal-Horn, 2001). Grönroos (as cited in de Chernatony & Segal-Horn, 2001) argues that customers perceive the quality of the service depending on both what they get and how they get it. Therefore, service branding should focus on both the technical outcome and the service process (ibid).

Berry (2000) suggests four ways to build strong service brands, best used in combination. First, a distinct brand personality should be created, and the service brand should not be offered as a commodity. Second, the service brand should represent a valuable offer, and the firm must deliver a service truly valued by customers. Third, the service company should strive to make an emotional connection so that true values become evident when customers experience the service. Finally, the brand must be internalized through verbalizing and visualizing. Services are intangible for both employees and customers; thus, advertising is also aimed at staff (ibid). The service brand may be conceptualized by a tangible component, an intangible component, and the integrating system that enables

communication between employees. Through these systems, the service can be delivered consistently (De Chernatony and Segal-Horn, 2001).

Although special challenges exist for service brands, general brand theory is still relevant. In order to better understand the brand building processes presented later in this chapter, a discussion of key concepts will be conducted in the next section.

2.3 Key Brand Building Concepts

Research that focuses explicitly on corporate or service brands is not sufficient to properly understand the corporate brand building process in service firms. This section will examine key concepts in this process. Service brands and corporate brands are different applications of the brand concept (de Chernatony, 2001b), however the theory presented applies to both. This first section addresses different perspectives on brands. Brand identity and brand positioning, two key concepts in the brand building process, are discussed in later sections.

2.3.1 Brand Perspectives

A number of definitions and perspectives on brands have been put forward by scholars (Kapferer, 2001). The complex entity of a brand is difficult to capture in a short definition (ibid). To illustrate the different perspectives of a brand, consider the definition by Interbrand (2005):

A brand is a mixture of attributes, tangible and intangible, symbolized in a trademark, which, if managed properly, creates value and influence. Value has different interpretations: from a marketing or consumer perspective it is "the promise and delivery of an experience;" from a business perspective it is "the security of future earnings;" from a legal perspective it is "a separable piece of intellectual property"...Brands offer customers a means to choose and enable recognition within cluttered markets.

This comprehensive definition introduces the concept of a trademark, a legal designation indicating that the owner has exclusive use of a brand (Rowley, 1997). Interbrand brings up the tangible and intangible attributes that create value for the firm. The marketing perspective highlights the idea of a customer promise. It should be remembered that brands are created in the company but what really matters is how they later exist in the mind of the customer (de Chernatony, 1993). De Chernatony and Riley (1998) present several perspectives (that can be used in combination to capture the complex nature of brands. Brands can be understood from either an input or an output perspective, since both marketers and customers participate in the branding process. *Input perspectives* (Table 2.2) are based on the notion that branding is a tool of directing resources that influence consumers. Brands can also be seen from an *output perspective* that refers to how customers

interpret the brand, either through an image or a relationship (de Chernatony & Riley, 1998). Finally, brands can also have a *time perspective*, thus recognizing the evolutionary nature of brands (de Chernatony and Riley, 1998).

Table 2.2: Brand Perspectives

<i>Input Perspective</i>	
Logo	Focuses on visual signifiers (i.e. color) to differentiate the brand; should be developed strategically
Legal Instrument	The brand is seen as a legal protected statement of ownership.
Company	The brand is dominated by the corporation and the values associated with the company.
Shorthand	The brand represents information for the customer. This shortcut into the customer's memory aids decision-making.
Risk Reducer	Brands can reduce the risk for customers. Risk is divided into four types: performance, financial, social and psychological.
Positioning	A customer should instantly associate a brand with a certain benefit.
Personality	Human characteristics are associated to the brand, for instance, by using a celebrity. The customer will then more easily accept the emotional values of the brand.
Cluster of Values	A brand represents a cluster of values. For example, Virgin values quality, innovation, value for money, fun, and a sense of challenge.
Vision	In this perspective, the brand is seen as a beacon that directs management to where the company should be heading. It is strategic and will motivate staff.
Adding Value	The brand adds functional and/or emotional benefits to the (augmented) product.
Identity	Identity is about the ethos, aims, and values that present a sense of individuality differentiating the brand; it involves the whole company.
<i>Output Perspective</i>	
Image	The brand image is how it is perceived by the customer. The image is formed through experience with the product and related communication. Each customer has a unique understanding of the brand but may share common features with other customers.
Relationship	Customers can form relationships with brands, which relate to the self-image of the customer and legitimize the customer's thought about themselves.
<i>Time Perspective</i>	
Evolving entity	The brand consists of core and peripheral values. To keep up with changes in the environment, the brand is fine-tuned by changing the peripheral values.

Source: Based on de Chernatony and Riley, 1998

2.3.2 Brand Equity

Interest in brands is motivated by looking at the underlying value they create. Figure 2.6 shows how value can be created for the customer and the firm, i.e., the

brand equity (Aaker, 1996). Businesses seek profits, and the only way to succeed with this is through value creation. Aaker (1996, pp.7-8) defines brand equity as “a set of assets (and liabilities) linked to a brand’s name and symbol that adds to (or subtracts from) the value provided by a product or service to a firm and/or that firm’s customers.”

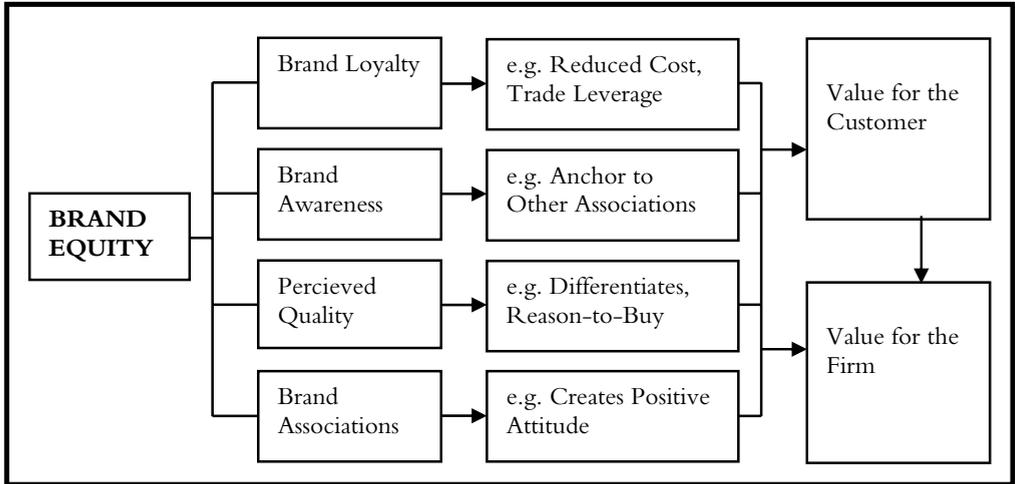


Figure 2.6: How Brand Equity Generates Value

Source: Adapted from Aaker, 1996, p. 9

Aaker (1996) divides these assets into four categories. *Brand loyalty* among customers will reduce costs and create trade leverage. *Brand awareness* is described as the strength of a brand’s presence in the minds of customers; it is prerequisite for creating associations. *Brand associations* are perhaps the most important asset for brand equity and are driven by the brand’s identity. Individuals can form associations to the brand through product attributes, celebrity spokespersons, symbols, etc. *Perceived quality* is the only association that has been found to drive financial performance (ibid).

Keller (2003) views brand equity from the perspective of customer-based brand equity (see Figure 2.7). The associative network model describes how the human mind creates associations towards brands. *Brand knowledge* is comprised of brand awareness and brand image. *Brand awareness* is related to the strength of the brand; stronger awareness increases the customer’s ability to remember the brand. *Brand recognition* means that the consumer recognizes the brand to which they are exposed. *Brand recall* is another form of awareness that refers to the consumer’s ability to recall the brand from memory when given a relevant cue. Furthermore, *brand image* will be determined by the *type, favorability, strength, and uniqueness of brand associations*, which are described as memory links.

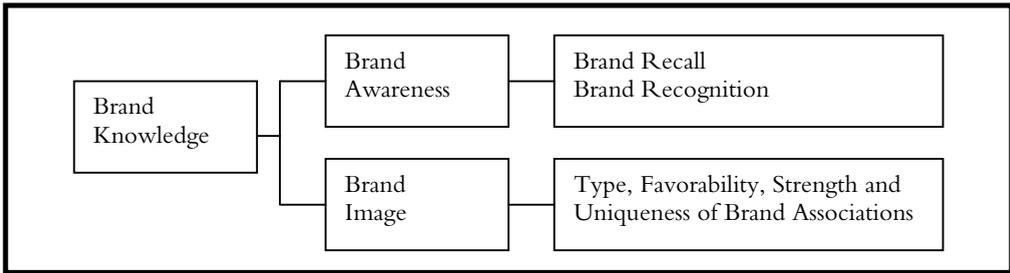


Figure 2.7: Customer-based Brand Equity

Source: Adapted from Keller, 2003, p. 59

A brand is represented by a node, and the related associations are represented by links to other nodes. A strong brand has many positive and emotional links/associations to other nodes that strengthen the brand. These associations represent customer-based brand equity, which is regarded as positive when the brand knowledge has a differential response on purchasing decisions (Keller, 2003). This means that a certain brand is preferred over competing brands, when similar products are being considered.

Upshaw (1995) divides brand equity into brand valuation and brand identity. *Brand valuation* concerns factors that impact the financial worth of the company (ibid). With brand valuation, higher prices can be charged for products, and sale volumes are likely to increase (Teffner & Gajland, 2001). Upshaw describes *brand identity* as external benefits that increase its attraction. He uses the analogy of a house to explain the difference between these types of brand equity. The total financial worth is the brand equity, part of which is comprises its identity, its attractive architecture, interior, condition, and how it is compared to other neighbors. If the house becomes shabby, this means that the identity has degraded, along with its financial worth (ibid).

2.3.3 Brand Identity

Brand identity is a concept that adopts the perspective of the firm, as seen from the following quote by Harris and de Chernatony, p. 442: “While brand image focuses on consumers’ perceptions of brand identity, identity is more concerned with how managers and employees make a brand unique”. Melin (1999) explains brand identity as what the brand stand for, gives it meaning, and makes it unique. The word *identity* is used in many disciplines and is derived from the Latin *identitus*, which means “complete conformity” (ibid). Brand identity is something that is constructed and can be changed and has recently become one of the most

interesting and important concepts of the branding literature (ibid). Kapferer (as cited in Melin, 1999) creates a conceptual model of brand identity (see Figure 2.8).

The overall goal is to develop a core identity that is consistent over time. *Brand identity* is communicated by the firm through physical aspects (product, name) of the brand and through the brand personality. If the firm is successful in communicating an intended identity, the picture of the sender corresponds with the picture of the recipient. (ibid)

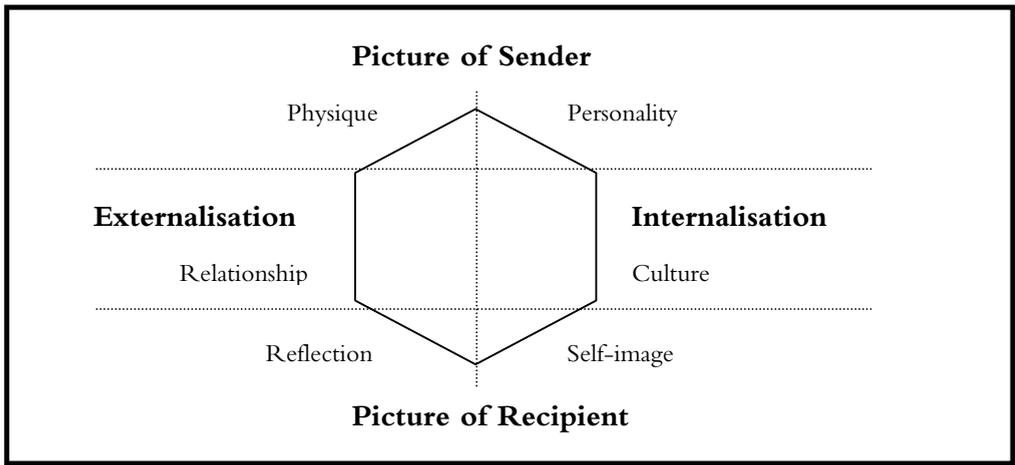


Figure 2.8: Brand Identity Prism

Source: Kapferer (as cited in Melin, 1999, p. 87)

In other words, brand identity should reflect how the consumer wants to be seen and their self-image. It connects with the customer through a relationship with the brand (ibid). The identity is also shaped by the culture of the firm. This internalization does not apply to a stand-alone product brand (Melin, 1999).

Similarly, Urde (1999) discusses the relationship between brand identity, organizational (sender) identity, and consumer (recipient) identity. When consumers communicate through symbols such as brands, these brands become a part of their self-image and identity. Employees need to understand that brands are an expression of an organizational identity. When the company tries to define its identity, they must ask, who are we? What do others think of us? What do we want to be? Urde discusses external and internal brand identity. When the company defines its identity, it must ask how others perceive the brand; this is referred to as external identity. Internal identity is the company's approach to the brand. These identities combine to create a holistic picture of the brand (ibid).

Aaker (1996) suggests that brand image refers to how the brand is perceived, while brand identity refers to how the brand would like to be perceived. Brand image therefore mirrors the current reality of the brand (ibid). Both Aaker and Urde (1999) warn against letting the image held by customers become the identity of the brand. If this occurs, then the company cannot express their desired identity. According to Aaker, the brand identity consists of a unique set of brand associations that imply a promise to customers. Associations are either derived from a core identity or an extended identity. Core identity is defined as “the central, timeless essence of the brand” (p. 68); the extended identity holds elements that are flexible and creates texture. Brand identity facilitates the creation of relationships towards customers as it generates value. Aaker also claims that companies should avoid having a limited, tactical perspective on brands; instead, they should broaden the meaning of their brand and grant it strategic importance.

Brand identity is the core nature of the brand (Kapferer, 1996; Aaker, 1996; Urde, 2003). Related concepts include brand soul (Randazzo, as cited in Upshaw, 1995), brand essence (de Chernatony, 2001, Upshaw, 1995), core values (Urde, 2003), brand values (de Chernatony, 2001b), brand covenant (Balmer, 2001), and brand mantra (Keller, 1999). Upshaw (1995) describes brand identity as consisting of a number of elements (Figure 2.9).

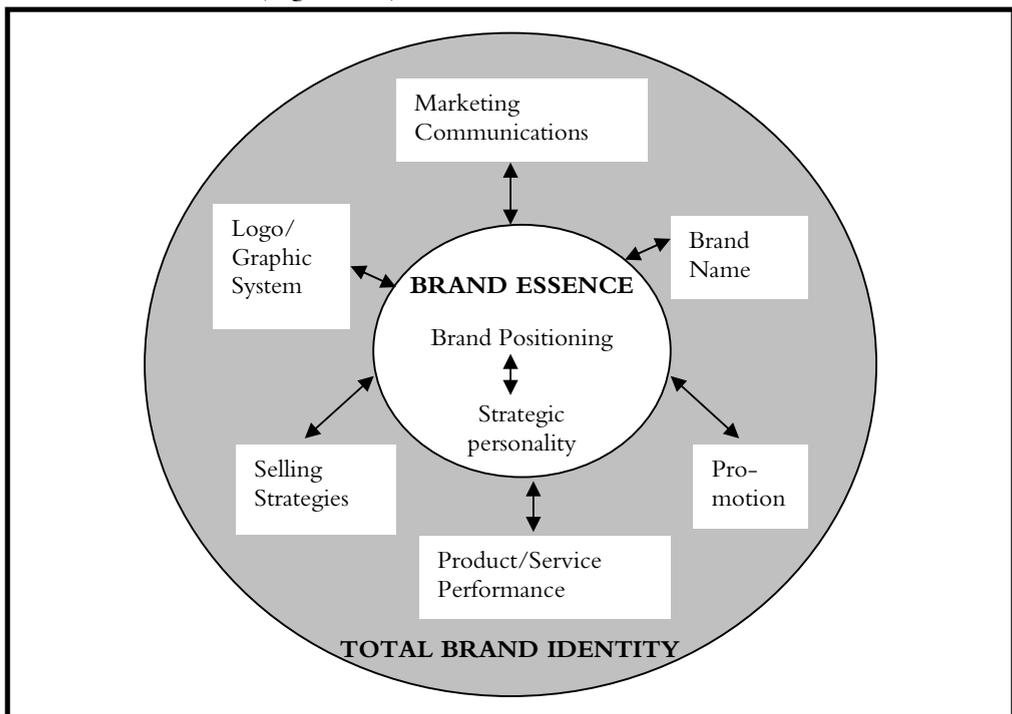


Figure 2.9: Relationship between Brand Essence and Brand Identity

Source: Upshaw, 1995, p. 24

Brand teams often focus on the two most crucial elements: positioning and personality. These elements dictate how customers perceive the attractiveness of the brand. The essence of the brand is the core of its identity, the singular way in which positioning and personality blends. The brand essence is proposed by the firm but can only exist if the target audience accepts the proposition (ibid).

A similar concept to brand identity is brand positioning. Both concepts refer to how the company would like the brand to be perceived by others. Brand positioning is seen as the part of brand identity that is actively communicated. Thus, brand positioning is a narrower concept than brand identity (Aaker, 1996).

2.3.4 Brand Positioning

Positioning is an acknowledged marketing tool for coordinating the company's communication (Aaker, 1996; Keller, 1999; Bhat & Reddy, 1998; Kalafatis et al., 2000; Ries & Trout, 2001). The concept of positioning relates to position the same way as a means relate to its goal (Melin, 1999). According to Ries and Trout (2001), positioning is the first concept that tries to resolve the difficult problem of getting heard in a crowded marketplace. Keller (1999) argues that positioning is essential to creating a strong brand and should be at the heart of all marketing activities. Positioning creates a positive image for a product or company (Kotler, 2000), giving the company an advantage over competitors. The set of perceptions, impressions, and feelings that a customer has for a product or company is also the position (Kotler, 2001). How to effectively reach the customer with the right associations is a major challenge for marketers today (Ries & Trout, 2001; Trout & Rivkin, 2000). Companies should not leave positioning to chance; they should plan and communicate how they wish to be perceived by customers (Kotler, 2001).

In the early 1980s, Ries and Trout (2001) popularized the concept of brand positioning. Both brand image and brand positioning deal with how consumers create a mental picture of a brand, but positioning takes this thought one step further by realizing that consumers make choices based on comparisons with competing products. Companies must create a unique position in the minds of customers (ibid), sometimes referred to as psychological positioning. Objective attributes of brands can also be compared, this is called product positioning (Melin, 1999). The company must integrate product positioning with psychological positioning in order to avoid striving for a position they cannot achieve (ibid).

According to Arnott (as cited in Blankson & Kalafatis, 1999), the various terms that exists for positioning, are simply several sides of the same coin. There is a lack of a coherent definition for positioning, and difficult implementation has resulted in less appreciation of the concept (Blankson & Kalafatis, 1999). Because of this, it has

also been difficult to measure positioning. Adding to the confusion, positioning is both the part and the whole of branding. As Marsden (2002) states that “the entire enterprise of branding itself can be understood as an exercise in positioning; using product experience and marketing initiatives to increase profitability by associating trademarks⁹ with compelling consumer values” (p. 307).

The customer is central to Ries and Trout’s (2001) definition of positioning. A sensible approach to positioning is not to create something new but to reinforce existing connections (ibid). Companies must understand the place that competitors already have in the customer’s mind in order to be successful with positioning. Claims that can be easily imitated should be avoided; companies should also stay away from something that requires a complex analysis to prove. Becoming the market leader is attractive, because if everyone else is buying a product, then customers will believe that it is good (Ries & Trout, 2003; Trout & Rivkin, 2000). Ries and Trout also suggest examining competitors and then eliminating message barriers. Using a purified and simplified message results in a greater chance of communicating successfully. A strong position can also be achieved by being first. Keller (1999) describes brand positioning as the creation of an optimal location in the minds of customers so that the brand is perceived in the desired way. The way that a brand differentiates itself depends on the choice of target market and relevant competitors (ibid). *Core brand associations* are consumer-derived and reflect the brand position. These associations consist of tangible or intangible attributes, benefits, experiences, or images that can be stored in memory. Core brand associations often capture the meaning of the brand position indirectly.

Riezebos (2003) argues that brand positioning takes place along two dimensions: the relative price and the intrinsic¹⁰ dimension. Although only the intrinsic dimension positioning is usually discussed (e.g., Ries and Trout, 2003), price is also a strong determinant. Three strategies exist for positioning along the price dimension: low-cost, premium, and prestige. When a low-cost strategy is used, the brand will add little value to the product and usually functions only as a sign of recognition. Riezebos argues that companies should try to tune the intrinsic attributes to more exclusive brands. By proposing this, Riezebos goes against what is often said in the positioning literature, that a brand should be distinguishable from other brands. For premium and prestige strategies, there are many possibilities to make the brand meaningful to consumers. These brands should definitely have their advantage based on material and/or immaterial aspects. When positioning on

⁹ A trademark is legal designation indicating that the owner has exclusive use of a brand (Rowley, 1997, p. 245).

¹⁰ The intrinsic dimension refers to attributes that change the product when altered. Intrinsic attributes may be distinguishing or non-distinguishing. In other words, these attributes refer to product characteristics aside from the extrinsic attributes such as brand, price, and packaging (Riezebos, 2003).

the intrinsic attributes, the brand either has a functional approach, in which the attributes remain central, or an emotional approach, in which the experience world around the brand is most important (ibid).

The communication objectives that the brand positioning tries to obtain should be measurable. Comparing brand identity with brand image, there are three possible objectives for the brand positioning (Aaker, 1996), shown in Table 2.3.

Table 2.3: Positioning Example

Dimension	Brand Identity (goal)	Brand Image (current reality)
Product:	Premium beer	Premium beer
User:	Young (in spirit or body)	Middle-aged
Personality:	Fun, humorous	Fun, humorous
Functional benefit:	Superior flavor	Superior flavor
Emotional benefit:	Social group acceptance	(none)
<p>Objectives for Positioning</p> <ul style="list-style-type: none"> • <i>Augmented</i>, if a dimension needs to be added or strengthened (e.g., add social group acceptance) • <i>Reinforced and exploited</i>, if the image associations are consistent with the identity and are strong (e.g., reinforce fun and humorous personality) • <i>Diffused, softened or deleted</i>, if the image is inconsistent with the brand identity (e.g., soften the middle-aged-user image, in order to increase acceptance among young people) 		

Source: Based on Aaker, 1996, p. 180

The brand position must be able to deliver a point of superiority that gives a competitive advantage. Differentiation can be created from a functional benefit, an emotional or self-expressive benefit, an organizational attribute, a brand personality, or a customer relationship. Usually, it is not possible to be superior in all aspects; the company should instead try to avoid inferiority on important attributes while maintaining superiority in at least one aspect (Aaker, 1996).

Similarly, Keller (2003) discusses Points of Parity (POP) and Points of Difference (POD) as tools for positioning. PODs are positive attributes and benefits that customers strongly associate with a particular brand; examples may involve performance attributes, performance benefits, and imagery associations (such as the Marlboro man). POPs are shared with competing brands and may be either category or competitive. Category POPs are criteria that customers generally expect of products in a particular category. For instance, customers expect banks to offer checking and savings accounts, safety deposit boxes, and so forth. Category POPs are especially important when launching new products, since they reassure customers that the company has the necessary POPs. In contrast, competitive POPs negate competitor points of difference. If the brand can break even in areas

where competitors try to create PODs while creating their own PODs in other areas, then a very strong position is established. POPs are thus easier to achieve than PODs, since the latter means that the brand has a clear superiority (ibid).

The search for brand identity should not become a search for brand position. Brand position must be practical and provide objectives to communication programs. Neither brand position nor identity should be dictated by brand image. However, image should not be ignored as the position strategy might strive to reinforce or diffuse an existing image (Aaker, 1996). Both brand identity and brand positioning are central for brand building, and their advantages is described next.

Advantages of Brand Identity and Brand Positioning

Brand identity and position help managers to handle brand strategies systematically. Without a clear position, it is difficult to be consistent. Figure 2.10 summarizes how brand identity and position create value (Aaker, 1996, p. 202). The nature and number of associations used for brand identity will influence its extension possibilities. Therefore, brand identity should be enriched. Brands with personality are more likely to be remembered by customers; the same is true for brands that consist of multiple, coherent elements. A symbol can help to achieve this. A strong identity and position also helps employees to deliver the brand proposition. It can also create a sense of pride and motivate employees. Consider, for instance, the Japanese Toyota worker who is proud to call himself a “Toyota-man”. Brand identity and brand position can generate value proposition, credibility, and the basis for a relationship (see Figure 2.10). Brand identity and position form the basis of competitive advantage through a complex network of meanings (Aaker, 1996).

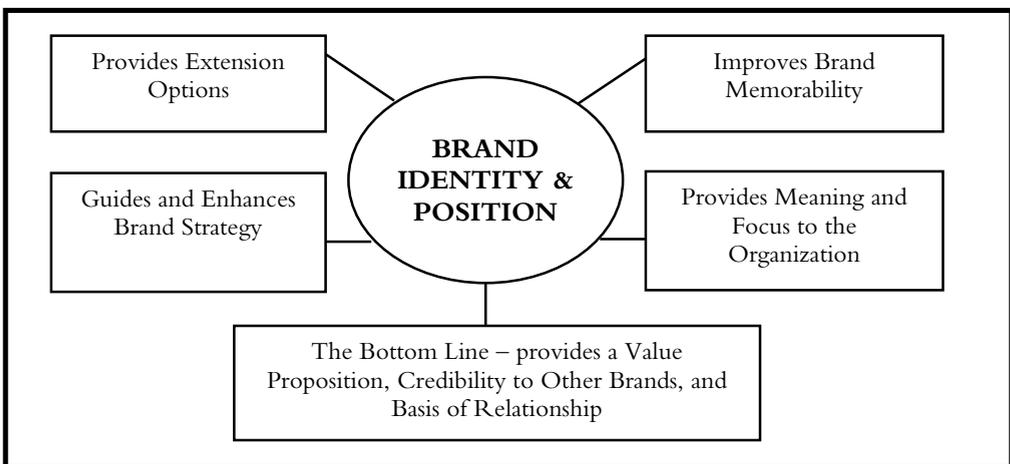


Figure 2.10: Brand Identity and Position

Source: Aaker, 1996, p. 202

Multiple Identities and Multiple Positions

It is possible to have multiple identities if a brand needs to be adapted to different markets and product contexts. When multiple identities are used, the goal should be to have a common set of associations (Figure 2.11), some of which form the core identity. Non-overlapping associations should be consistent; one approach is to have the same identity but to emphasize different attributes in each market (Aaker, 1996).

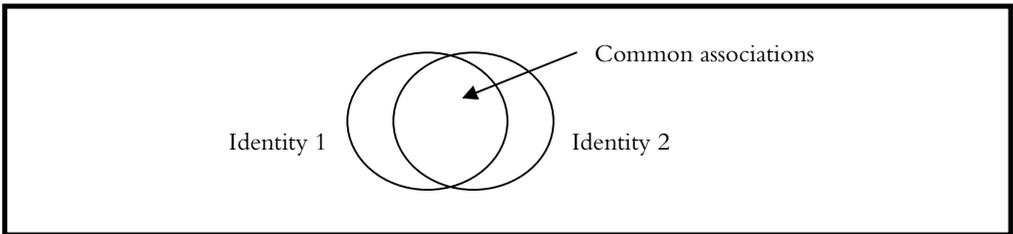


Figure 2.11: Multiple Brand Identities

Source: Aaker, 1996, p. 105

Some brands also require multiple positions. Keller (2003) argues that when brands span multiple product categories, as is often the case for corporate brands, they are likely to have many related but distinct positions. Therefore, the brand has certain core values applicable to all markets, with about 5 to 10 associations of the most important dimensions of the brand. Associations can be identified through a mental map, a detailed portrait of all salient brand associations for a particular target market, and then grouped into related categories. Each category is a potential core value (ibid).

Corporate Associations

Consumers form their opinions about the corporate brand through a number of associations. The firm should try to influence which associations become relevant for their stakeholders through communication. When building a corporate brand, associations connected to the corporation are especially useful, since these types of associations reflect the unique characteristics of the corporation (Aaker, 2004). According to Aaker (2004), a corporate brand has the potential to become a master brand that maximizes portfolio goals and generates leverage, synergy, and clarity. The corporate brand can also be an endorser. This gives credibility to the product brand and reassures the buyer as it represents the organization behind the product. Both organizational and product associations can be used to define the corporate brand. The following organizational associations can be used to differentiate the corporate brand (Table 2.4). Aaker maintains that the corporate brand must be

translated internally through the mission, goals, values, and culture of the organization. The corporate brand identity is the link between the organization and the customer. A single mother brand will integrate brand building resources and is a preferable strategy when feasible (ibid).

Table 2.4: Corporate Associations

Corporate Association	Description
Heritage	Every company has a history that makes it unique. When going back to its roots, the company can see which values made it successful in the first place.
Assets and capabilities	The company is perceived to have assets and capabilities that enable it to deliver value to its customers.
People	Staff behavior impacts the corporate brand image.
Values and Priorities	Important values underlie business strategies.
Local vs. Global Orientation	Local orientation might appeal to customer patriotism, while a global approach can imply prestige and success.
Citizenship-Creating Good Company Vibes	Social responsibility taken by companies
Corporate Performance and Size	Success breeds confidence and positive attitudes. A larger firm can signal competence and staying power.

Source: Based on Aaker, 2004

The theory presented in this section has covered important aspects of building the brand, regardless of context. It has also provided a foundation for better understanding the brand building processes, which will be the focus of the next section.

2.4 The Brand Building Process

A number of models of the branding process exists in the literature, however they have generally been criticised for the lack of empirical testing (Daffey & Abratt, 2002; Grace & O’Cass, 2002). The brand building processes by Aaker (1996) and de Chernatony (2001) will be reviewed in this section. Aaker’s (1996) brand identity planning model (see Figure 2.12) focuses on building the brand identity, i.e., the core nature of the brand. Since all brands have an identity, the framework is applicable to any type of brand. Although Aaker (1996) does not explicitly discuss which type of brand is most relevant for his model, he uses corporate brands as examples when describing his process. Aaker’s model has three general steps: strategic brand analysis, brand identity system, and the implementation of the brand identity.

Aaker proposes the use of a *strategic brand analysis* as a starting point in planning brand identity. This analysis consists of the analysis of customers, competitors, and the firm itself. Customer analysis includes factors such as motivation, trends, needs, and segmentation. The firm must determine the functional, emotional, and self-expressive benefits that customers seek. It is also necessary to conduct an analysis of current and future competition. Brand positions as well as the strengths and weaknesses of competitors are important inputs. The key to differentiating the brand lies in knowing how competitors are perceived among customers. Another important issue is how competitors want to be perceived which for instance is seen in their advertising (ibid).

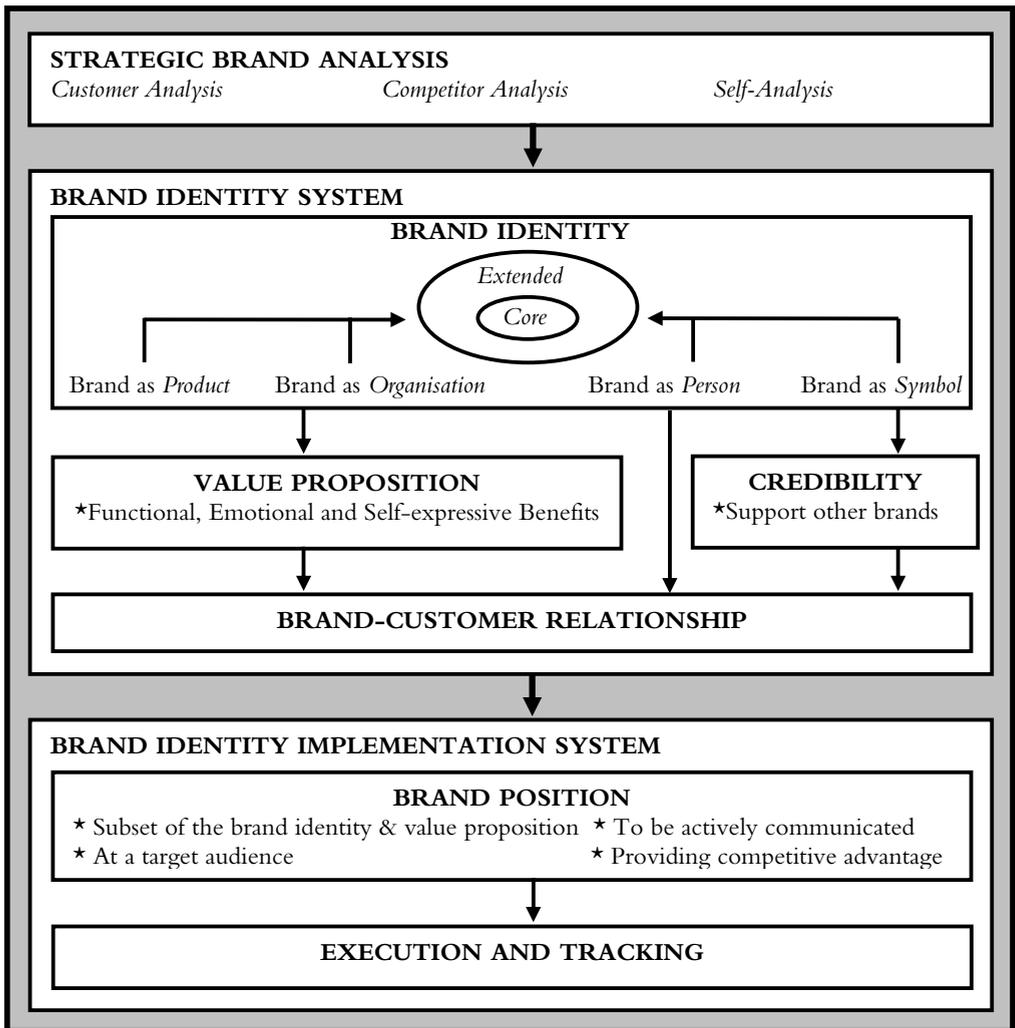


Figure 2.12: Brand Identity Planning Model

Source: Aaker, 1996, p. 79

The strategies employed by competitors can be analyzed through a positional map that groups competitors with similar strategies (Jobber, 2005). Groups of well-positioned companies should be avoided if possible. A well-known strategy is to attack competitors on their weakest points (ibid). The self-analysis of the firm should include an assessment of the existing brand image, the brand's heritage, and its strengths and weaknesses (Aaker, 1996). Strengths and weaknesses are analyzed for the brand and for the organization behind the brand. The desired identity must be supported by the capabilities of the organization (ibid).

The second step is called the *brand identity system*. Brand identity, either core or extended, consists of a unique set of brand associations that represent what the brand stands for and imply a promise to customers (Aaker, 1996). The core identity is described as the central, timeless essence of the brand and is usually constant when the brand travels to new markets and products. Extended identity adds flexibility, texture, and completeness to the brand. The identity of the brand is based on the brand as product, organization, personality, and symbol. Product associations are used on a tactical level as part of the marketing mix. Organizational associations, on the other hand, are usually strategic. The personality expresses the soul of the brand and may be both strategic and tactic. The symbol works as an anchor for other associations, for example, the golden arch of McDonalds, and is mostly strategic (ibid).

Brand associations can be described as the link between a brand and a certain characteristic (Keller, 2003). In this way, the customer holds information about a brand, the brand is differentiated, and positive feelings might be created (ibid). Brand identity establishes a relationship to customers through functional, emotional, or self-expressive benefits (Aaker, 1996). This is called a *value proposition*. Functional attributes in the value proposition are rational and look for the function or value for money for the customer. Emotional attributes relate to how the customer feels, while self-expressive attributes relate to how the customer would like to be perceived by others. After the identity has been decided, it needs to be implemented.

The brand identity is *implemented* through the brand position which is explained as “the part of the brand identity and value proposition that is to be actively communicated to the target audience and that demonstrates an advantage over competing brands” (Aaker, 1996, p. 176). A brand position can be expressed in one or several statements which will guide the company's communication. Not all elements of the brand identity have to be communicated (i.e., positioned). When searching for a short positioning statement, it is easy to focus on the product attributes, neglecting the brand personality, organizational associations, or brand symbols. To differentiate the brand, product attributes are often not enough, since competitors are likely to emphasize this and they are also relatively easy to copy. In

using product attributes, it is assumed that the customer is rational, but this is often not the case. This also limits potential brand extensions. Brand position is usually narrower than brand identity, which means that the position might be changed without changing the identity or value proposition (ibid).

When choosing identity attributes for positioning, the company must look at the core identity. The unique and valuable aspects of the brand identity should be included in the positioning in order to create consistency. The extended identity enables the positioning to be implemented in different ways. The point of leverage on which positioning builds, can be based on an element from the extended or the core identity. Benefits from the value proposition can also be used for the brand position. Moreover, the target audience that is selected as a result of the brand's position might be a narrower group than the brand's target market. Another strategy is to differentiate between primary and secondary audiences; the position should include both without being in conflict. Finally, the plans are executed, including media selection and the creation of advertisements. Communication also needs to be monitored by a tracking stage (Aaker, 1996).

Similarly to Aaker, de Chernatony (2001) proposes a planned approach to building brands (Figure 2.13). Although he does not specify a brand type or level, his model is useful for both building and sustaining brands.

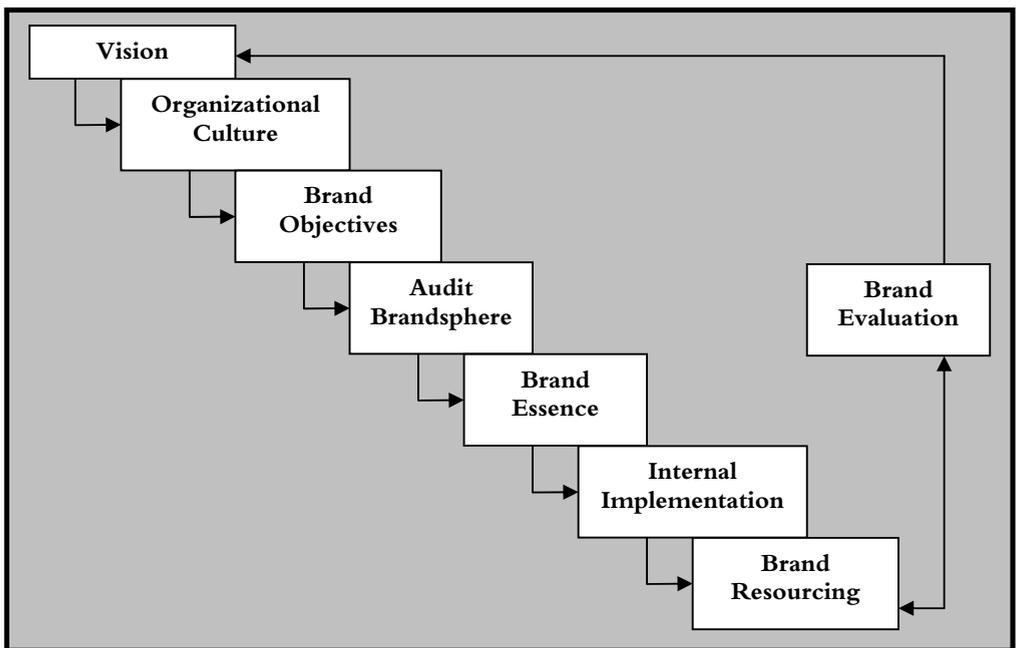


Figure 2.13: Brand Building Process
Source: de Chernatony, 2001, p. 76

Through a planned perspective, a more consistent series of activities can be conducted that integrates the activities of different departments. He emphasizes a balanced approach to branding, in which staff plays an important role. De Chernatony's brand building process starts with a *brand vision* that provides direction for the company. The vision also makes the values of the brand explicit. The brand vision has three components: the future environment, purpose, and values. The future environment means that a long-term perspective for the brand is adopted. This should lead to qualified projections on how the market might develop. The vision also needs a purpose, which is more meaningful than simply making profits, and usually focused on society as a whole. Henry Ford (as cited in de Chernatony, 2001, p. 95) emphasizes this: "Business must be run at a profit....else it will die. But when anyone tries to run a business solely for profit...then also the business must die for it no longer has a reason for existence." The purpose must excite staff and give them direction.

Brand vision also consists of values. As previously mentioned, the concept of the brand can be seen as a cluster of values. Therefore, values ultimately shape the brand's destiny and give direction for how to create customer benefits. The staff must be committed and aligned to the brand's values since they represent the brand in the eyes of stakeholders, especially in service firms. De Chernatony (2001) argues that the brand should be based on no more than five values; this makes it easier to achieve consistency in behavior and reduces internal confusion. Customers and employees are both attracted to brands that match their values. Category values are needed to compete, while brand values are needed to differentiate the brand. Furthermore, de Chernatony divides values into core values, which are always present, and peripheral values, which can be deleted or augmented depending on changes in the marketplace.

The second step in de Chernatony's (2001) brand building process is the *organizational culture*. Deshpande and Webster (as cited in de Chernatony, 2001) define this as: "a set of shared assumptions and understandings about organizational functioning" (p. 126). A culture can be looked at from three levels: visible artifacts, values, and basic assumptions (Schein, as cited in de Chernatony, 2001). Visible artifacts are easy to observe but more difficult to understand than values, the concealed basic assumptions people hold. The organizational culture is a strong indicator of the values that characterize the brand. De Chernatony claims that emotional values are more important than functional values; it is more important how customers receive the brand than what they receive.

Brand culture must support the brand vision, which must be translated into concrete *brand objectives*. Brand objectives can be divided into long-term and short-term objectives. The aggregated short-term objectives form the long-term objective. A long-term objective should be clear, motivating, and consistent with

the brand vision. Short-term objectives focus on customers, their motivations, and the different contexts in which the brand will be used. Objectives are followed by an *audit brandsphere* which include the firm, the micro-¹¹ and macro¹² environment. To capitalize on brand objectives, the forces that enhance or hamper the brand are evaluated; this might lead to a reassessment of objectives or vision.

From these steps, *brand essence* emerges. Brand essence is a clear representation of the unique aspects of the brand. De Chernatony (2001) visualizes the brand essence as a pyramid (see Figure 2.14, which uses Heinz as an example). The first element consists of the brand attributes. These are less interesting for the consumer compared to the second element, benefits, that can be gained from these attributes. As consumers become more experienced with the brand, these benefits can lead to emotional rewards. Customers will attach values to a brand that form the brand's personality. Personality is the human traits associated with the brand's values.

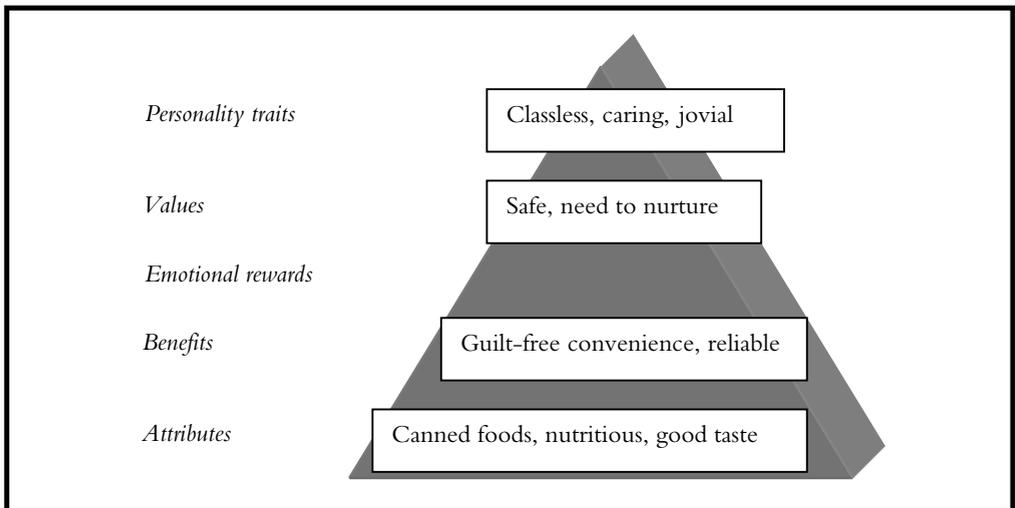


Figure 2.14: Summarized Brand Pyramid for Heinz

Source: de Chernatony, 2001, p. 209

The goal of the brand pyramid is to communicate the core characteristics of the brand to employees and to reflect the critical attributes of the brand. Only the three most important attributes should be considered, since consumer choices are made based on a low number of attributes. De Chernatony (2001) stresses the usefulness of the pyramid through its logical connection to the brand building process.

¹¹ The micro environment consists of customers, suppliers, competitors and intermediaries. (Jobber, 2004)

¹² The macroenvironment consists of the economic, social, technological, legal, and physical forces outside of the company's control (Jobber, 2004).

For the brand to thrive externally, the brand essence needs to be translated to the position and the personality (de Chernatony, 2001). In contrast, Aaker (1996) treats personality as part of the brand identity, which may or may not be used for the brand position. Positioning seeks to create a distinct, meaningful, and valuable position in the minds of customers (de Chernatony, 2001). A low number of attributes should be used. In terms of the brand pyramid, three attributes and three benefits set the boundaries. The goal is to create a clear positioning statement that communicates the brand’s functional advantage.

While de Chernatony (2001) regards positioning as the means to communicate the functional characteristics of the brand, i.e., what the brand can do for the customer. Brand personality on the other hand, focuses on how customers and how they feel being associated with the brand. People associated with the brand give customers a quick idea of the brand’s values. This is especially true for conspicuous products, as customers through these products signals with which values they want to be associated. The brand personality thus has a symbolic or self-expressive function. The brand team should also consider how personality fits the lifestyle of customers. De Chernatony emphasizes five brand personality types, developed by Aaker: sincerity, excitement, competence, sophistication, and ruggedness. Finally, the brand is *implemented* both internally and externally (i.e., *brand resourcing*) and *evaluated* on a regular basis.

The brand positioning must be understood by staff; this can be achieved through using a *brand mantra*. Keller (1999) describes this as the internal positioning of the brand. A brand mantra consists of three to five words that capture the spirit of the brand. According to de Chernatony (2001), brand mantra can be used as a memorable shorthand guide for staff as it gives a common picture of what the brand should represent. It acts as a mental filter to sort out inappropriate marketing activities for the brand (Keller, 1999). As part of the mantra, brand functions describe the nature and/or the type of benefit or experience it provides; the descriptive modifier clarifies the brand function and sets the boundaries for the brand; and the emotional modifier describes how the brand delivers its benefits. Ideally, a brand mantra should communicate the category and uniqueness of the brand, be memorable, and inspire employees. There is a need to further describe each word that is used, since a single word can be interpreted in numerous ways (ibid). The brand mantra for Nike and Disney is shown in Table 2.5 (ibid).

Table 2.5: Brand Mantra for Nike and Disney

	<i>Emotional Modifier</i>	<i>Descriptive Modifier</i>	<i>Brand Functions</i>
Nike	Authentic	Athletic	Performance
Disney	Fun	Family	Entertainment

Source: Keller, 1999, p. 48

According to Keller (1999) core brand associations are external translations of brand positioning, designed to reflect consumer understanding, while brand mantras are internal translations of brand positioning, designed to simplify the desired positioning so it is better understood by employees (see Figure 2.15).

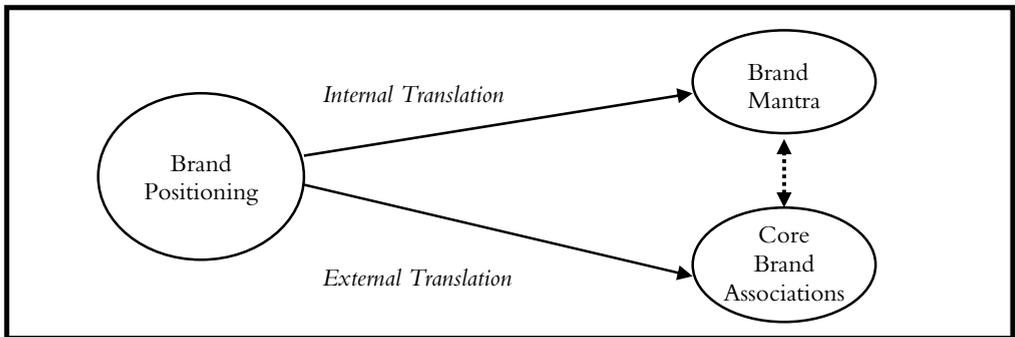


Figure 2.15: Defining, Conveying, and Capturing Brand Meaning

Source: Keller, 1999, p. 50

2.4.1 Corporate Brand-Building Processes

Although the general brand building processes by Aaker (1996) and de Chernatony (2001) can also apply to corporate brands, a few researchers explicitly concentrate on corporate brand building processes.

Urde (2003) introduces a corporate brand building process based on core values. He divides value into three perspectives (figure 2.16): value related to the firm, value that sums up the brand, and values as experienced by the customer.

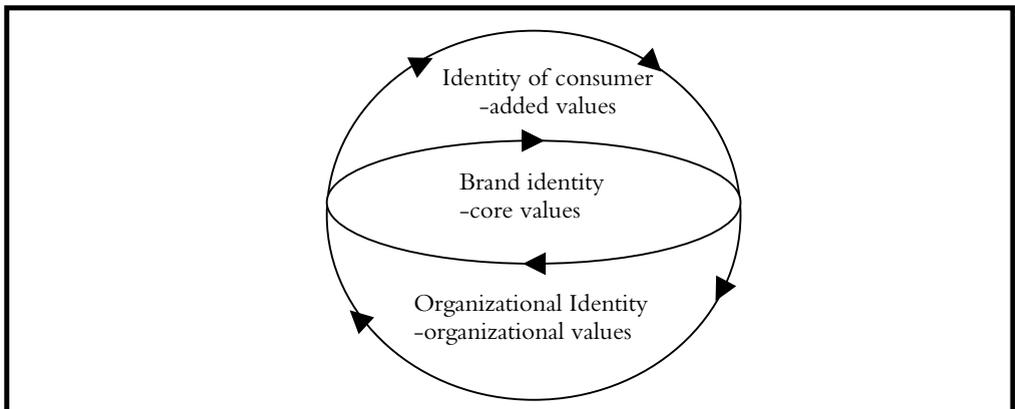


Figure 2.16: The Continuous Interaction between Value and Identity at Three Levels

Source: Urde, 2003, p. 1020

Organizational values create a foundation for core values, which summarize the brand identity and guide the brand building process. The advantage that the customer perceives about the brand is explained as the added value. Added values may be functional, emotional, or symbolic and link the internal and external brand building process. Concurrently, the identity can be divided into organizational, brand, and customer level. Thus, figure 2.16 shows how value is created through the interaction between the three levels discussed above.

The internal corporate brand building process (Figure 2.17) describes the relationship between the organization and the brand. This process begins with the company's *mission*, which describes the overall goals and should be integrated with the core values. A *brand vision* should be challenging, inspiring, and describe the future of the brand. *Organizational values* can be associated with the origin, founder, or a dramatic event for the company; they lay the foundation for core values, are primarily internal, and can also be communicated externally. *Core values* summarize the identity of the brand, guide company efforts, and translate into customer value. Combined, mission, brand vision, organization values and core values form the value base. *Brand architecture* dictates how the company organizes its brands. *Product attributes* build the core values into the product. *Brand personality* reflects the core values, described as human traits. Through *positioning*, the brand forms an efficient *communication strategy*. The goal of the process is to create *internal brand identity*, meaning that the organization understands and is committed to its brand (Urde, 2003).

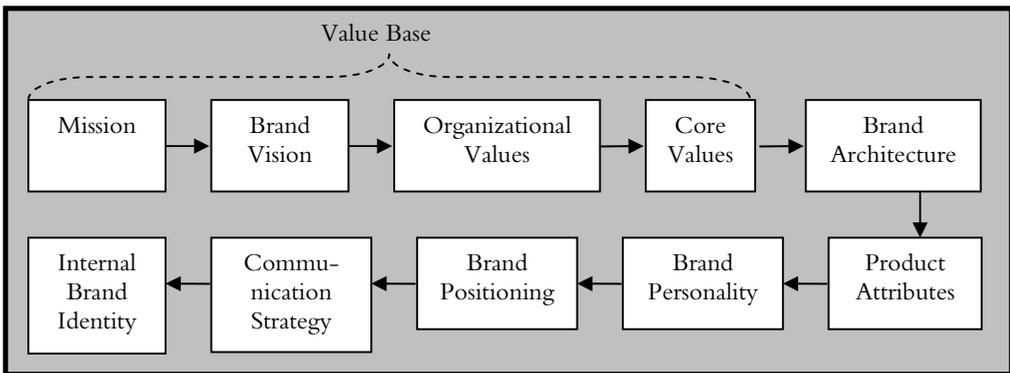


Figure 2.17: Internal Corporate Brand building Process

Source: Urde, 2003, p. 1023

Knox and Bickerton (2003) propose an alternate corporate brand building process. In contrast to Urde (2003), who bases his model on brand management theory, Knox and Bickerton use a corporate brand theory that is influenced by corporate identity studies. A limitation with the early macro models within corporate identity/corporate brand studies is the lack of explanation and connections of the constructs, including corporate personality, identity, image and culture. Therefore

micro models have been created to better guide corporate brand management. While these models reflect the challenges facing management, they are still conceptual, which should encourage researchers to conduct empirical studies. Knox and Bickerton (2003) suggest such an empirical-based model, highlighting important practices in the process of corporate brand management (Figure 2.18).

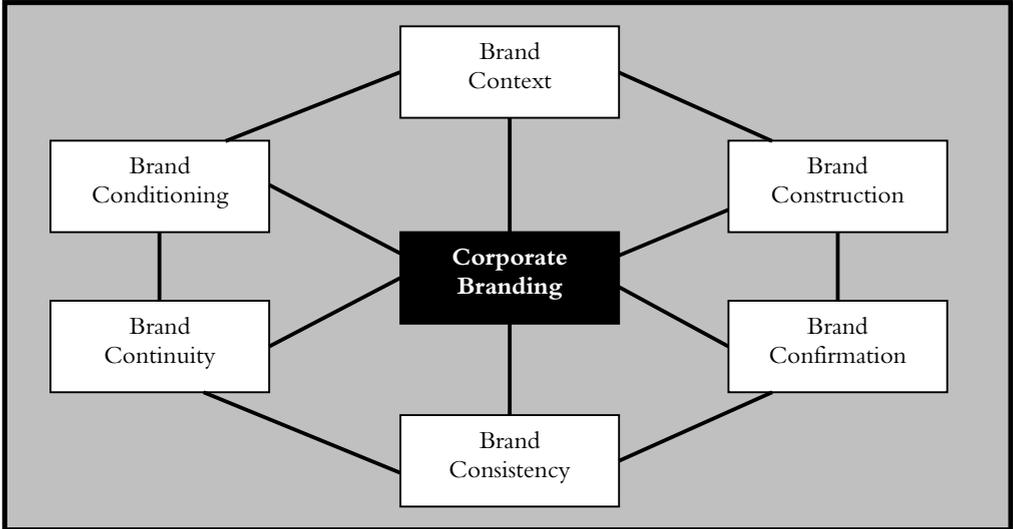


Figure 2.18: Conventions on Corporate Brand Management
Source: Knox and Bickerton, 2003, p. 1012

The first step in building a corporate brand is to define the *brand context* (Figure 2.19). Corporate branding practices have been advised to follow a multidisciplinary approach that combines strategy, culture, and corporate communications (Knox & Bickerton, 2003). The three elements that set the context for the corporate brand are vision, culture, and image (Hatch & Schultz, 2001).

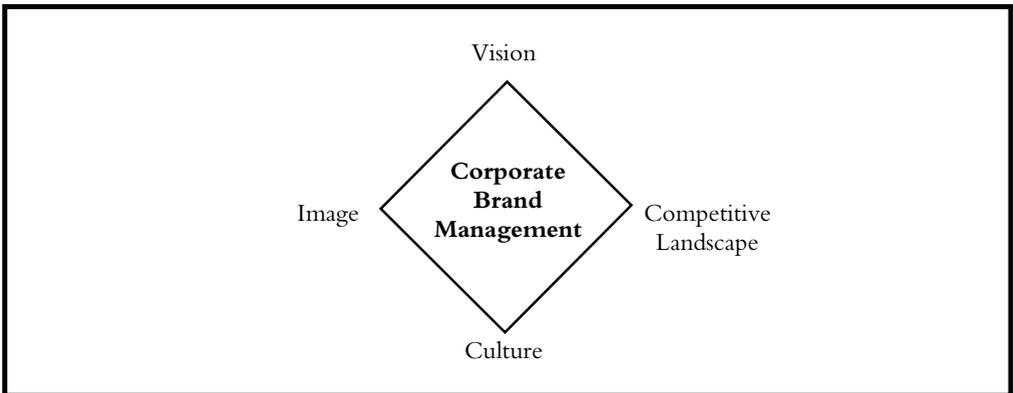


Figure 2.19: Convention One: Brand Context
Source: Knox and Bickerton, 2003, p. 1007

From these elements, the company can analyze the strengths and weaknesses of the brand. Knox and Bickerton (2003) also propose a fourth element: the current and future nature of the competition. Through these dimensions, the brand context sets boundaries that will guide the management of the corporate brand. The brand context builds on the corporate brand building framework proposed by Hatch and Schultz (2003), who stress that corporate branding depends on successful interaction between strategic vision, organizational culture, and corporate image (see Figure 2.22).

The second step concerns the creation of a corporate brand positioning framework, i.e., *brand construction*. A brand framework should use both “inside out” and “outside in” elements from common starting points (CSP) (Van Riel, as cited in Knox & Bickerton, 2003). CSPs are the central values of the organization that lay the foundation for all corporate communication. Management must determine which CSPs make up the corporate brand framework and how they can be used to position the brand. Knox and Maklan (as cited in Knox & Bickerton, 2003) propose a “unique organization value proposition” to position the corporate brand. Knox and Bickerton (2003) use a four-stage positioning process (Figure 2.20) that consists of organizational attributes, performance benefits, portfolio benefits, and network benefits. The tangible benefits of performance and portfolio are more easily identified by organizational members; organizational and network benefits are intangible and therefore more difficult to identify.

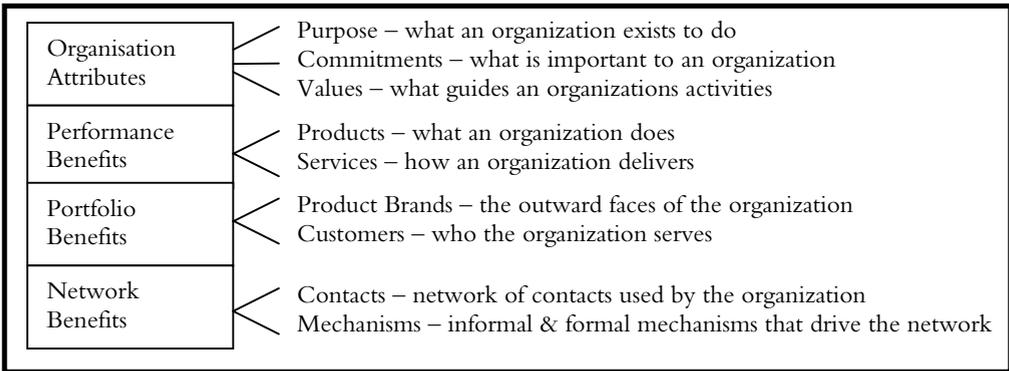


Figure 2.20: Convention Two: Corporate Brand Positioning Framework

Source: Knox and Bickerton, 2003, p. 1008

In the third step, *brand confirmation*, the firm articulates its corporate brand proposition. Knox and Bickerton (2003) discuss the creation of a number of brand positioning statements to describe the brand proposition. Senior management should be involved, and the repeated use of small work groups in the process is recommended. In their post-study research, they found that management teams more successfully created the brand proposition after the development of a series of

brand statements. The commitment and enthusiasm of the senior management team to the corporate brand-building process was found to be of crucial importance.

Communication plays an important role for *brand consistency*. To achieve consistency in corporate brand communication, the channels of stakeholder communications must be structured according to their formality. This includes key formal and informal communication channels. Next, a thorough audit of stakeholder communications must be conducted. For instance, formal corporate brand communications can be analyzed by a content analysis. This can be compared with the brand statements created during brand confirmation (Knox & Bickerton, 2003).

The fifth step is *brand continuity*, which deeply roots the brand in the organization. It is not sufficient to change corporate communication in accordance with corporate brand positioning. Relevant business processes must match the corporate brand and achieve continuity with the brand proposition. With the use of workshops, senior management can identify business processes that influence the corporate brand. Therefore, managers need a holistic view of how business processes make up the corporate brand and create value (ibid).

The organization must regularly monitor its corporate brand through *brand conditioning*. The brand must be constantly developed; corporate brand management should be seen as a continuous process rather than as a one-time event. To be distinctive and consistent, the corporate brand proposition must be long-term. As seen in Figure 2.21, this creates a dynamic process in which corporate brand benefits are aligned with the customer value hierarchy. This concludes the discussion of the six conventions by Knox & Bickerton, 2003.

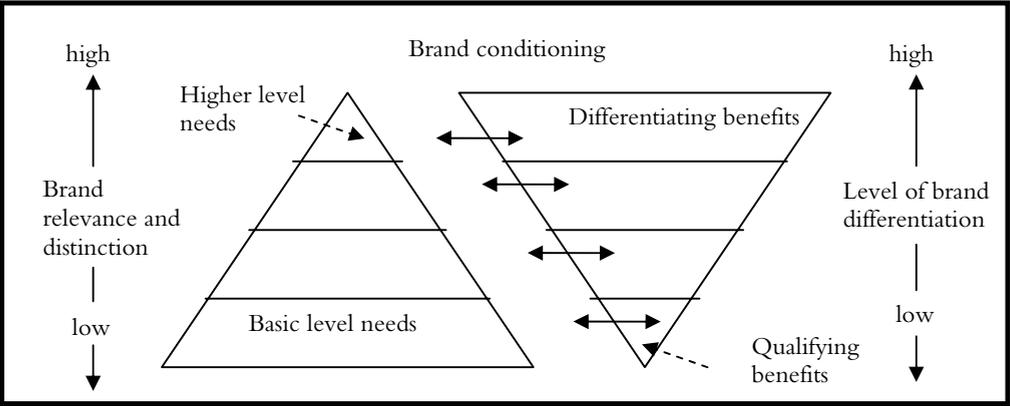


Figure 2.21: Aligning Brand Benefits with Customer Needs
Source: Knox and Bickerton, 2003, p. 1012

According to Hatch and Schultz (2003) corporate branding is dependent on the successful interaction between three components (also called “strategic stars” in Hatch and Schultz, 2001): strategic vision, organisational culture and corporate image (see figure 2.22).

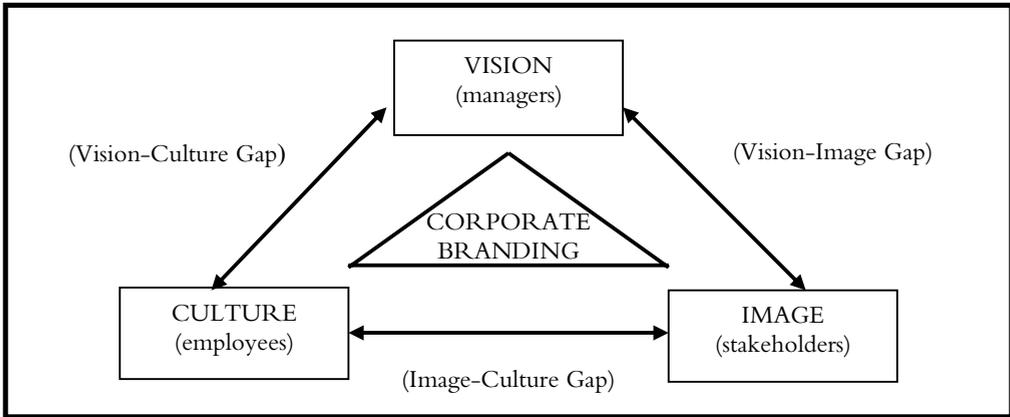


Figure 2.22: Key Elements in Corporate Branding

Source: Hatch and Schultz, 2003, p. 1047 and Hatch and Shultz, 2001, p. 131

Hatch and Schultz (2003) propose a cross-functional approach that integrates the whole corporation. They argue that the involvement of multiple stakeholders and the different interfaces of corporate brands highlight the relational nature of corporate branding. The framework they propose links strategic vision, organizational culture, and corporate image. *Strategic vision* is the central idea behind the company; it should clearly express the company’s future goals. The vision must also connect to the heritage of the company. *Organizational culture* is explained as:

the internal values, beliefs and basic assumptions that embody the heritage of the company and communicate its meanings to its members; culture manifests itself in the way employees all through the ranks feel about the company they are working for. (p. 1047-1048)

Corporate image refers to the view of the corporation held by stakeholders. The corporate brand values held by stakeholders should be consistent with the organizational culture in order to create credibility. The values and the nature of the company are communicated through total corporate communication. The projected image of the company must match the organizational culture in order to fulfill brand promise. The culture gives the context for communicating non-tangible elements such as heritage, beliefs, and stories. There is also a need to link image and vision. A corporate brand cannot be built solely upon the desired market position or brand image; it should be based on the core values and the

paths for the future, unfolding from its heritage. The corporate image works as a mirror that helps the management to understand who they are. This also helps the strategic envisioning process.

Maklan and Knox (1997) have a different perspective on positioning. They describe the creation of a unique organization proposition through aligning core business processes. The unique organization proposition is described with the metaphor of a cable sheath (e.g., reputation, performance and brand portfolio) that holds the wires in the company, i.e., the core business processes. Their framework is also consistent with Harris and de Chernatony (2001) who claim that a difference with corporate brands compared to product brands is that the former requires an integration of internal activities to ensure consistency in delivery. This also applies to the building of service brands, described next.

2.5 Service Brand Building Process

De Chernatony and Segal-Horn (2003) propose a model for service branding (see Figure 2.23, next page). They state that one explanation for the low number of valuable service brands is the lack of service branding models. The intangibility, heterogeneity, and inseparability of services mean that the execution of service brands requires more consideration (ibid).

De Chernatony and Segal-Horn (2003) claim that employees who serve customers have the largest influence in forming customer perceptions of the brand. For physical products, the cluster of values can be controlled in production, communication and distribution. By contrast, service brands cannot, instead the *corporate culture* will have an important impact in influencing the behavior of staff. Core values are defined by the culture, which means that certain behavior is encouraged while others are discouraged. The corporate culture is the first step in the service brand-building process suggested by de Chernatony and Segal-Horn. The next step is for managers to *define brand promise*, which consists of functional and emotional values that are blended to position the brand and to develop its personality. Then, the brand vision, promise, and consumer expectations must be *internally communicated* to staff, who must be *trained* in how to deliver the brand; they are supported by a *coordinated* delivery system and organizational processes. This will improve the possibility to deliver the service brand *consistently*. Consumers compare their *expectations*, formed through previous experiences with the service or with competitors, to the delivery of the service (Lovelock et al., 1999). If expectations are met or exceeded, then consumers will form a *holistic brand image* and create a *relationship* with the brand based on trust (de Chernatony & Segal-Horn, 2003). In turn, this relationship reinforces the corporate culture, which embeds the brand and the delivery of the brand, thus creating a positive circle (ibid).

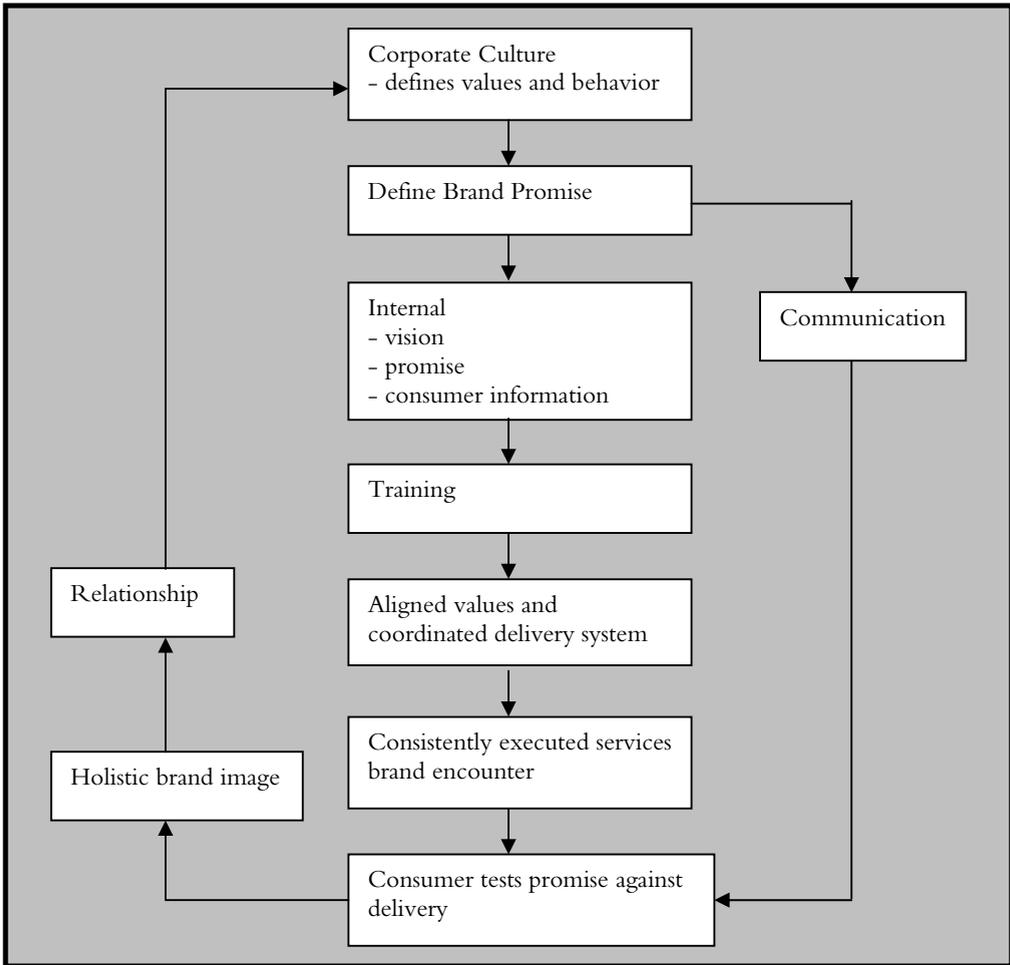


Figure 2.23: Criteria Influencing the Success of Service Brands
Source: De Chernatony and Segal-Horn, 2003, p. 1101

2.5.1 Key Criteria in Building Service Brands

De Chernatony and Segal-Horn (2003) conducted an empirical study to determine the key criteria in building service brands. The following three elements were mentioned most frequently by respondents.

Focused Position

The service brand must be positioned in the minds of prospective customers. Positioning must be understood by both staff and customers. Faced with an

abundance of communication in the market, this is indeed a challenging task. To succeed, simple communication of the service brand is imperative; the firm must focus on creating few associations. A positioning statement should associate the brand with a restricted number of benefits. Consistency is essential (de Chernatony & Segal-Horn, 2003).

Consistency

Due to the problems caused by heterogeneity, it is more difficult to achieve consistency with services than with physical goods. Stable and supportive systems, like databases, will help to deliver consistent service. The firm should have a consistent approach toward stakeholders. It is also important to achieve consistency in marketing communications. Successful service brands depend on systems that encourage consistency between brand values, staff behavior, and external and internal communication (de Chernatony & Segal-Horn, 2003).

Values

A successful service company has a clear understanding of their values, often expressed through the corporate culture. It has been proven that there is a clear connection between values and behavior. De Chernatony and Segal-Horn (2003) argue that values guide and motivate staff. Management must also “live the brand.” One respondent in the study suggests that staff should be asked to act the brand, instead of living it, which has a totalitarian edge. However, another respondent commented that competitors who have values that are not acted but genuinely espoused will have a great advantage. Only a deep conviction is likely to let behavior, innovation, and brand communication evolve (de Chernatony & Segal-Horn, 2003).

2.6 People Involved in the Brand Building Process

According to Aaker (1996), one person must be in charge of building the brand and creating a brand identity. However, several managers are often responsible for the brand within their specific business area. When the brand is shared by several businesses, which is often the case for corporate brands, a mechanism must enable a coordinated brand strategy to be implemented. A problem with having the CEO responsible for the corporate brand is that he or she has multiple responsibilities, which can make it difficult to focus on building and protecting the brand (Aaker, 1996). With regard to global brands, Aaker and Joachimsthaler (1999) discuss the role of the brand champion, a CEO or another senior executive who acts as the

brand's primary advocate. All decisions about brand stretching¹³ are approved by the brand champion. Advertising agencies can be responsible for implementing and coordinating a cohesive brand strategy. One advantage to this is that it creates a strong link between strategy and execution. One possible disadvantage is that agencies have a tendency to prefer media advertising (ibid).

De Chernatony (1996) views brand building as a team-based activity with a strategic perspective. Harris and de Chernatony (2001) define the brand team "as comprising of those people responsible for designing and developing the brand strategy" (p. 446). Furthermore, they argue that perception is influenced by individual expectations of the brand. Department managers follow different criteria for their decisions, resulting in different perceptions of the brand's identity (ibid). The advantage of working in a team is that a number of skills can be coordinated when formulating the brand strategy (de Chernatony, 1996). However, there is also a risk that members may have different views about the core nature of the brand, thus resulting in separate goals. Therefore, it is important for members of the brand team to fully understand the type of brand and how it should be built. The company must reach a common understanding through discussions within the brand team (ibid).

The corporate brand literature stresses that senior management and the CEO should be involved and committed to the brand building process (Knox & Bickerton, 2003; Balmer & Gray, 2003). According to Balmer and Gray (2003), the corporate brand brings new challenges and has strategic importance, thus falling under the responsibility of senior management. Knox and Bickerton (2003) found that the commitment and enthusiasm of the senior management team is crucial to the corporate brand building process. They also suggest a series of small working groups with managers that perform different functions. To reach a consensus, customer value is used as a common starting point to decide the core nature of the corporate brand (ibid). The CEO and senior management decide on the direction for the brand (McDonald et al., 2001). Ordinary staff must be trained and involved in the process but only after the strategic direction has been set (de Chernatony & Segal-Horn, 2003). Harris and de Chernatony (2001) argue that corporate brand teams tend to be larger and more heterogeneous than product-based brand teams. Consequently, it might be more difficult to reach a consensus; on the other hand, corporate brand teams are more likely to possess the wider range of skills and knowledge needed to solve complex problems (ibid).

The research problem, with the help of the literature review, will be further developed into research questions and a conceptual framework in the next chapter.

¹³ Brand stretching is when the same brand name is also used for new types of products that are being launched (Jobber, 2005).

3. Research Questions, Conceptual Framework and Conceptualization

This chapter develops the research questions for this study, which are then presented in a conceptual framework based on the literature review from the previous chapter. This framework describes the internal corporate brand building process in service firms and is followed by a conceptualization of the theoretical terms used in this study.

3.1 Introduction

In Chapter 1, the increased interest in corporate brands from both academic researchers and practitioners was discussed. The increased importance of services in today's economy combined with the lack of research in this area motivated the choice of studying corporate brands in service firms. Thus, the areas of corporate branding and service branding are highly related (Balmer & Gray, 2003). Due to the intangibility of services, the brand becomes very important, since it helps customers to visualize the service and reduces the risk of purchase (Mc Donald et al., 2001). Chapter 2 discussed theories related to the corporate brand, key corporate brand building concepts, the brand building process, and the people involved in building the brand.

In this chapter, research questions connected to the research problem, i.e., *what are the major components of internal corporate brand building in service firms?*, will first be developed. These questions, and the underlying theory, will later provide the basis of the conceptual framework and is followed by the conceptualization of key terms for this study.

3.2 Research Question One

The complexity involved in building a corporate service brand is best handled by following a structured brand building process (Aaker, 2001; de Chernatony, 2001; Urde, 2003; Knox & Bickerton, 2003; de Chernatony & Segal-Horn, 2003). The brand building processes presented in chapter 2 share some similarities. In general, the brand building process can be divided into two phases: planning (i.e., internal) and implementation. Similarly, Urde (2003) differentiates between the internal and the external brand building process. He describes the internal brand building process as the relationship between the organization and the brand while the external brand building process is concerned with the interaction between the brand and the customer. The literature often focuses on the internal phase (e.g., Knox & Bickerton, 2003; de Chernatony, 2001; Aaker, 1996). The internal corporate brand building process is a complex phenomenon in which several

individuals are expected to interact while conducting a number of planned activities in order to arrive at a clear idea of what the corporate brand should represent before this is communicated to customers (ibid) Einwiller and Will (2002) also state that planning is the most important aspect of building the corporate brand. The internal corporate brand building process is the focus for this study. With the help of a planned corporate brand building process, the service firm can transform a simple trademark into a strategic resource (Melin, 1999). Because the corporate brand has a large potential to create value—especially in service firms, where the corporate brand often is used as a master brand— a deliberate effort must be made to build the corporate brand in service companies.

A general criticism of the brand building process described in literature, is that they lack empirical testing (e.g., Melin, 1999; Daffey & Abratt, 2002; Grace & O’Cass, 2002). Melin (1999) stresses the need for a brand building process created from the firm’s perspective. Following this discussion, the first research question is stated as:

RQ 1: How can the internal corporate brand building process be explained?

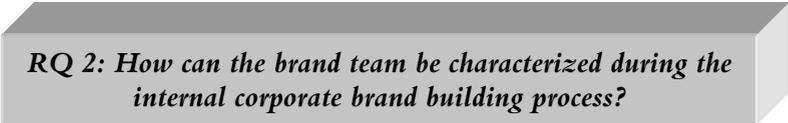
The internal corporate brand building process refers to the steps involved in planning and defining the brand, i.e., before the brand is implemented.

3.3 Research Question Two

Besides describing the steps that the service firm performs when building their corporate brand, it is also of interest to study the people who are responsible for building the brand. Most of the research regarding the corporate brand building process is conceptual in nature (Knox & Bickerton, 2003). The corporate brand literature stresses that senior management and the CEO should be involved and committed to the process (e.g., Knox & Bickerton, 2003, Balmer & Gray, 2003). Balmer and Gray (2003) also claim that the corporate brand brings new challenges compared to traditional product-based branding and has strategic importance, thus falling under the responsibility of senior management. However, few studies have been found that test this notion. Furthermore, it is interesting to study whether there is a single individual who acts as the primary advocate of the corporate brand, referred to in the literature as the brand champion (Aaker, 1996; Aaker & Joachimsthaler, 1999). The brand champion is responsible for creating a coordinated brand strategy (ibid). However, the main work in building the corporate brand is conducted by a brand team (Harris & de Chernatony, 2001; Aaker, 1996; de Chernatony, 2001). Corporate brand teams tend to be larger and more heterogeneous than those for product brands (Harris & de Chernatony,

2001; de Chernatony, 2001). A common problem in building the corporate brand is that people in different positions and departments have different perceptions of the nature of the corporate brand (e.g., Urde, 2003; Harris & de Chernatony, 2001). Consensus might therefore be more difficult to achieve for teams building the corporate brand, but they are also likely to possess a wider range of skills and knowledge needed to solve complex problems (Harris & de Chernatony, 2001). It is therefore relevant to also study how a common perception of the brand can be achieved in the process.

The literature regarding people involved in brand building is focused to a large extent on describing who is in charge of the brand on different levels in an organization (e.g., Aaker, 1996). However, there is a lack of research that shows the most significant members of the brand team throughout the corporate brand building process. As claimed by Harris and de Chernatony (2001), firm employees or external consultancies, such as an advertising agency, may be involved in the process. The second research questions can now be formulated as:



RQ 2: *How can the brand team be characterized during the internal corporate brand building process?*

3.4 Conceptual Framework

According to Miles and Huberman (1994), the conceptual framework explains the main concepts that are being studied and shows how key variables relate to each other. They also claim that research questions may be stated before or after the conceptual framework. For this study, discussing the research problem and research questions has provided the foundation for the conceptual framework.

In Chapter 2, corporate brand building in service firms was reviewed from the perspective of a brand building process and concepts connected to the process. When comparing general brand building processes (Aaker, 1996; de Chernatony, 2001) with corporate brand building processes (Knox & Bickerton, 2003; Urde 2003), three key steps in the internal corporate brand building process were identified: *brand audit*, *brand identity*, and *brand position*. These refer to the planning of the brand and occur before the brand is being implemented (internally and/or externally). The service brand building process by de Chernatony and Segal-Horn (2003) was also reviewed but is not as relevant since it focuses on the internal implementation of the brand. Table 3.1 (next page) shows how the three steps were defined by four authors.

Table 3.1: Brand building Steps as Defined by Four Authors

Step \ Author	Aaker (1996)	de Chernatony (2001)	Knox and Bickerton (2003)	Urde (2003)
<i>Brand Audit</i>	Strategic Brand Analysis	Audit Brandsphere	Brand Context	- (internal factors are handled as separate steps, external factors not included)
<i>Brand Identity</i>	Brand Identity	Brand Essence	Brand Construction	Internal Brand Identity
<i>Brand Position</i>	Brand Position	Brand Positioning (part of brand essence)	Brand Confirmation	Brand Positioning

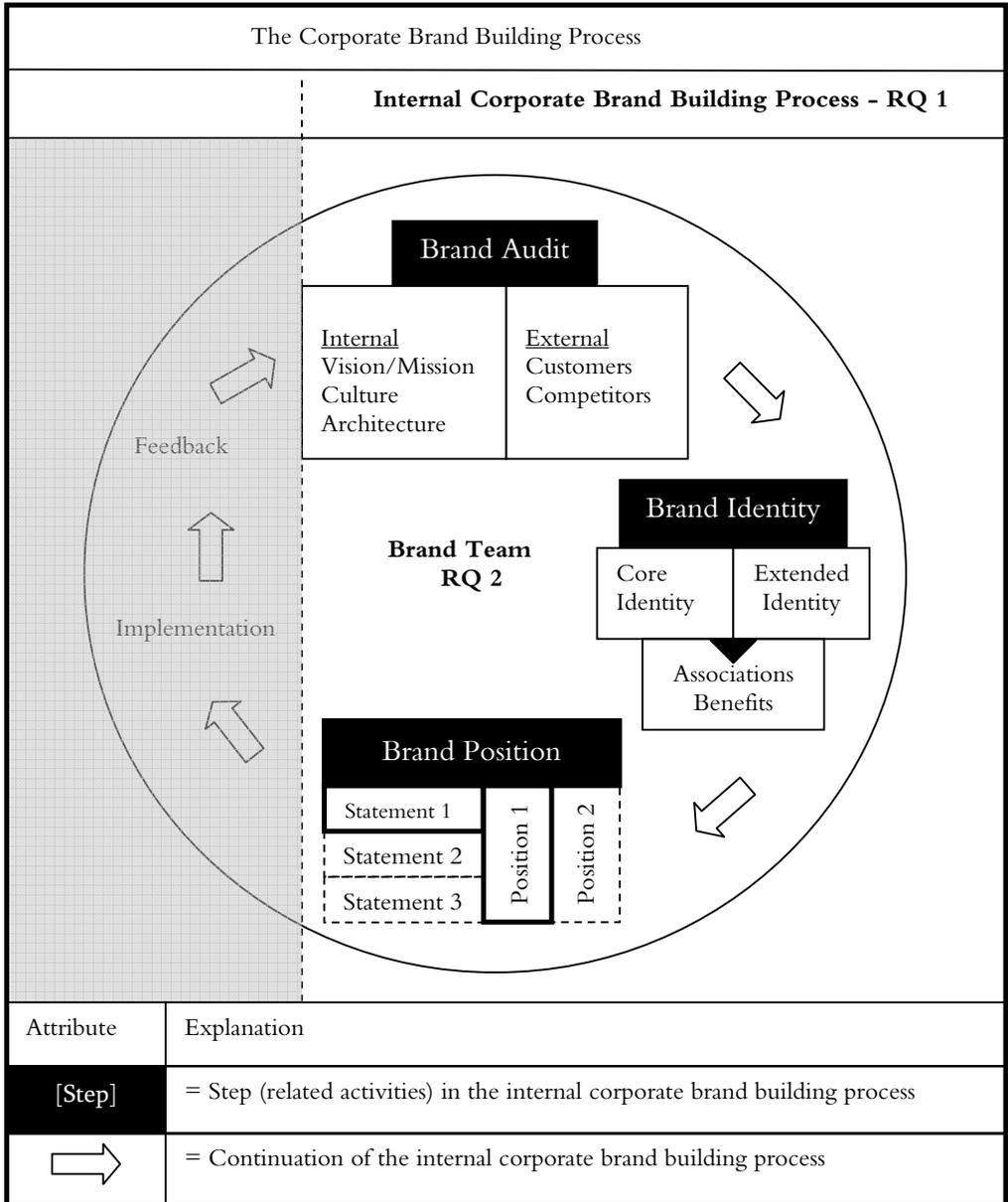
These steps can be briefly explained as follows. Brand audit means that internal and external factors that affect the brand building process are analyzed. Brand identity refers to the core nature of the brand, or how the firm wants the brand to be perceived. Brand position refers to how that brand is actively communicated; this can be summarized in a brand position statement. Although the authors are not consistent in their terminology, they all discuss similar steps in the process. Additional steps were also found, but they tend to overlap with the three chosen steps. For instance, de Chernatony (2001) examines vision and organizational culture, which are included in the brand context by Knox and Bickerton (2003). Urde (2003) examines organizational values, which are similar to the concept of organizational culture proposed by de Chernatony. Furthermore, Urde’s process also includes core values and brand personality, which are included under brand identity by Aaker (1996).

The conceptual framework (Figure 3.1, next page) shows how the research questions relate to theory and how the theoretical concepts are connected to each other. The framework describes the corporate brand building process (based on Aaker, 1996; de Chernatony, 2001; Knox & Bickerton, 2003; Urde, 2003).

The framework is divided into two main parts: the external and the internal corporate brand building process. This study only concerns the internal corporate brand building process (RQ 1); therefore, implementation and feedback are excluded from the study. The internal corporate brand building process starts with a *brand audit* (Aaker, 1996; de Chernatony, 2001; Knox & Bickerton, 2003), where *internal* and *external factors* are considered. Three internal factors were frequently discussed in the literature, namely *vision/mission* (de Chernatony, 2001; Knox & Bickerton, 2003; Urde, 2003), *organizational culture* (Aaker, 1996; de Chernatony, 2001; Knox & Bickerton, 2003; Urde, 2003), and the *brand architecture* (Urde, 2003; Aaker, 2004; Petromili et al, 2004; Melin, 1999). The information gained from the brand audit enables the firm to understand the context in which the

corporate brand is built. Factors analyzed in the brand audit will influence the next step in the process: *brand identity* (Aaker, 1996; de Chernatony, 2001; Knox & Bickerton, 2003; Urde, 2003). The brand identity consists of a *core* and an *extended identity* (Aaker, 1996).

Figure 3.1: Conceptual Framework



The core identity represents the timeless essence of the brand, while extended identity holds associations that add completeness to the brand (Aaker, 1996). These *associations* are related to product, personality, organization, or the symbol of the corporate brand (ibid). Brand personality is therefore included in the brand identity. The brand must also be able to deliver functional and emotional *benefits* (Aaker, 1996; de Chernatony, 2001; Knox & Bickerton, 2003) to the customer. These benefits create value for the customer. A part of the corporate brand identity is emphasized and chosen for active communication, i.e., the *brand position* (Aaker, 1996; de Chernatony, 2001; Knox & Bickerton, 2003; Urde, 2003). The brand position expresses how the corporate brand should be seen by external stakeholders or by employees and is the common theme for all communication. The firm therefore needs to create one or more brand position statements (Aaker, 1996; de Chernatony, 2001; Knox & Bickerton, 2003). Furthermore, several positions may exist, since the internal position might be different from the external or different positions might be adopted for different markets. However, as stressed by Aaker (1996) and Keller (2003), positions should not contradict. To achieve consistency, the core identity should be used for all positions. Different elements (from the core or extended identity) could also be emphasized in different markets (ibid)

The internal corporate brand building process is conducted by the brand team (RQ 2), who usually are employees of the firm, but external consultancies can also be involved (Harris & de Chernatony, 2001). The key individuals in the brand team will be described, and we will determine whether a brand champion (Aaker & Joachimsthaler, 1999) exists. Furthermore, it will be explored whether the brand team changes during the internal corporate brand building process. Next, key theoretical terms used in this study will be conceptualized.

3.5 Conceptualization

In order to measure concepts when conducting research, a rigorous definition is required (Blumberg et al., 2005). An operational definition shows how a term is measured and is vital for abstract concepts. It is important to remember that a concept and its operational definition are not exactly similar. The operational definition is only one perspective of many on a particular concept (ibid). In this section, the theoretical concepts used for this study will be further explained, and the way that they will be measured is presented.

3.5.1 Research Question One

The Internal Corporate Brand building Process

We aim to explain service firms’ internal corporate brand building process, i.e., the steps that occur before implementation. Three internal steps were frequently discussed in the literature—brand audit (e.g., Aaker, 1996), brand identity (e.g., Upshaw, 1995; Aaker, 1996; Urde, 2003) and brand position (Knox & Bickerton, 2003; Aaker, 1996; de Chernatony, 2001)—but before these steps are conceptualized; we define the internal corporate brand building process as a whole.

The theoretical concept used to capture the phenomenon of building the corporate brand could be described in the terms of a corporate brand building process. According to Nordstedt’s encyclopedia (2000), a process is “a course of events which mean that something is changed or developed.” Knox and Bickerton (2003) discuss the corporate brand building process in terms of “the process of corporate brand management...[with] a number of distinct practices” (p. 1006). Authors often discuss a brand building process that can be used in different contexts. Melin (1999) claims that key brand management concepts constitute activities in the brand building process, and each concept represents a critical step of the process. The definition of corporate brands by Einwiller and Will (2002) could serve as an explanation of the corporate brand building process “a systematically planned and implemented process of creating and maintaining favorable images and consequently a favorable reputation of the company as a whole by managing behavior, communication, and symbolism” (p. 101). Finally, de Chernatony (2001) describes the brand building process as a planned approach where a systematic process is followed for developing and strengthening the brand. From the discussion above, it can be inferred that the theoretical concept brand building process lacks a commonly accepted definition. However, based on Knox and Bickerton (2003) and de Chernatony (2001), the internal corporate brand building process is defined in this study as a systematic and sequential course of brand building steps that are conducted in the firm before implementation. The conceptualization is summarized in Table 3.3.

Table 3.3: Measures Used to Capture Research Question One

Conceptual Area	Concept	Conceptual Definition	Measure Used
Building the Corporate Brand	Internal Corporate Brand building Process	A systematic and sequential course of brand building steps that are conducted in the firm before implementation (based on steps defined by Aaker, 1996; de Chernatony, 2001; Knox & Bickerton, 2003; Urde, 2003)	Description of the steps that are conducted to develop and strengthen the corporate brand before implementation (based on the respondents’ perceptions)

Brand Audit

The context for building the brand can be understood by conducting a strategic *brand audit* (Table 3.4), which includes both internal and external factors.

Table 3.4: Measures Used to Capture the Brand Audit (RQ 1)

Conceptual Area	Concept	Conceptual definition	Measure Used
Brand Audit (Knox & Bickerton, 2003; Aaker, 1996)	Brand Audit	A strategic analysis of internal and external factors that decides the context in which the corporate brand in service firms are built (Knox & Bickerton, 2003)	Identification and description of the internal and external factors that are strategically analyzed in order to understand the context in which the corporate brand is built.
	Internal Factors	Factors within the company (mission/ vision, organizational culture, and brand architecture) that are analyzed in the brand audit	Identification and description of the internal factors that are analyzed in the brand audit
	External Factors	Factors outside the company, i.e., customers and competitors, which are analyzed in the brand audit	Identification and description of the external factors that are analyzed in the brand audit
Internal Factors in the Brand Audit	Company Vision/ Mission	The overall goal for the company (de Chernatony, 2001)	Description of whether the overall goal for the company is considered in the brand audit, if considered at all
	Organisational Culture	An organization’s beliefs, knowledge, attitudes, and customs (Bassi, 1997)	Description of whether and how an organization’s beliefs, knowledge, attitudes, and customs are considered in the brand audit,if considered at all
	Brand Architecture	How the company organizes their brands (Urde, 2003)	Description of the role of the corporate brand in the firm’s brand portfolio
External Factors in the Brand Audit	Customer Analysis	Customer-related criteria for building the corporate brand (Aaker, 1996)	Description of criteria related to customers that are considered in the brand audit
	Competitor Analysis	The position, strengths and weaknesses of competing brands (Aaker, 1996)	Description of whether and how competing brands are considered in the brand audit

The brand building processes that were reviewed in the literature highlighted this step, although the manner in which the brand audit is presented differs among authors. Two general themes appear. The first is to focus on internal factors at the beginning of the process, and to clearly separate those factors. For example, Urde (2003) uses the internal factors of mission, brand vision, organizational values, and brand architecture in his model. Similarly, de Chernatony (2001) examines vision, culture, and brand objectives before looking at external factors. The other theme is to combine internal and external factors into one larger step in the brand building process. For example, Aaker (1996) starts with a strategic brand analysis of customers, competitors, and the firm itself. Similarly, Knox and Bickerton (2003) discuss the brand context as the starting point, which is constituted by the internal factors of vision and culture and the external factors of image and the competitive landscape.

Internal factors in the brand audit have a greater impact on the corporate brand than on the product-based brand (de Chernatony, 2001b). The corporate brand becomes the face of the organization, representing its values, heritage, employees, culture, etc. Several scholars (e.g., Knox & Bickerton, 2003; Urde, 2003; Hatch & Schultz, 2003; Aaker, 1996) believe that a company's *mission* and *vision* influence the corporate brand building process. The strategic vision is the central idea behind the company that connects the corporate brand with its core values and organizational culture (Hatch & Schultz, 2003). Specific goals for the brand are created within the scope of a general corporate mission/vision (Urde, 2003; de Chernatony, 2001).

Another internal factor frequently discussed in the brand literature is the *organizational culture* (Knox & Bickerton, 2003; Hatch & Schultz, 2003; de Chernatony, 2001; de Chernatony & Segal-Horn, 2003; Balmer, 2001; Ind, 1997). Organizational culture is defined by Bassi (1997) as "an organization's beliefs, knowledge, attitudes, and customs" (p.26). The distinctive nature of the corporation can be inferred from the culture, which is often divided into subcultures (Balmer, 2001). De Chernatony also claims that the organizational culture is a strong indicator of corporate brand values. The culture must support the vision in order to build a strong brand. For service brands, the culture is especially important, since it defines values and behavior (de Chernatony & Segal-Horn, 2003). As mentioned by de Chernatony and Segal-Horn, the behavior of the staff is more important than advertising in how customers perceive the service brand. Furthermore, Kapferer (1999) argues that the core nature of the brand (its identity) is partly shaped by the organizational culture.

The firm's *brand architecture* is another important factor that should be considered in the brand audit (Urde, 2003). The brand architecture can be explained as how the company organizes their brands (Urde, 2003); this dictates the role of the corporate

brand in the brand portfolio. The corporate brand can have a prominent role in the portfolio, when used as a master brand or as an endorser that gives credibility to product brands (Aaker, 1996, 2004). In contrast, the corporate brand can play a limited role when branding efforts focus on individual product brands (ibid). For services, however, the corporate brand is usually the master brand (Berry, 2000; de Chernatony & Segal-Horn, 2003), thereby having the potential to be a valuable strategic asset for the firm. A master brand is based on core values that correspond to the products sold by the firm (Urde, 2003).

The brand audit should also include an analysis of *external factors* that influence the brand building process. There are two main factors, or actors, that should be considered: customers and competitors (Aaker, 1996; Knox & Bickerton, 2003; de Chernatony, 2001; Ries & Trout, 2001). Other stakeholders could be included as well, especially since the corporate brand is aimed at multiple stakeholders. The importance of *customers* when building a brand is obvious. The goal of brands is to create emotional and functional values for the target audience; therefore, the firm must understand customers' needs and motivations. The brand values should correspond with customer values. The current image of the brand held by customers should also be taken into consideration, since it might be necessary to strengthen or weaken current associations (Aaker, 1996). Brands do not exist in the firm but in the mind of the customer. The firm can only influence how they would like the brand to be perceived (called positioning prompts by Upshaw, 1995). In order to build a brand, the firm needs to understand how the customer mind works (Ries & Trout, 2001). Within a brand team, people might have different perspectives of the brand. Knox and Bickerton (2003) therefore propose the use of customer values as a common starting point for members of the brand team to understand the perspective of the other members.

The other main external factor considered in the brand audit is *competing brands* (Aaker, 1996). More specifically, Aaker (1996) suggests investigating competing brands' position, strengths, and weaknesses. Compared to product brands, corporate brands are usually easier to differentiate from competitors. Product brands tend to become similar over time, while organizations are inevitably different (Aaker, 2004). Moreover, Aaker (1996) suggests that positions held by strong competitors should be avoided if possible. Interestingly, Riezebos (2003) argues that the sensible strategy for low-cost brands is to tune product attributes to more exclusive brands. Ries and Trout (2001) also stress the importance of considering competing brands. The firm can gain an advantage if they are first to communicate an idea, or they can simplify the messages used by competitors (ibid). Competitors can also directly restrict the options for a brand by owning trademarks such as brand names, symbols and slogans. The measures used to capture the brand audit are shown in Table 3.4. The second major step in the conceptual framework, brand identity, will be discussed next.

Brand Identity

At the heart of the corporate brand building process is the *brand identity*. The brand identity provides direction, purpose, and meaning and can be seen as the core nature of the brand (Aaker, 1996). There are several related concepts that describe the core nature of the brand, e.g., brand soul (Randazzo, as cited in Upshaw, 1995), brand essence (de Chernatony, 2001; Upshaw, 1995), core values (Urde, 2003), brand values (de Chernatony, 2001b), brand covenant (Balmer, 2001) and brand mantra (Keller, 1999). Chernatony and Segal-Horn (2003) discuss the concept of brand promise, which consists of functional and emotional values. The concept of brand identity has different interpretations. Melin (1999) explains brand identity as what the brand stands for and what makes it unique.

Although Kapferer (as cited in Melin, 1999) was the first to create a conceptual model of brand identity, the conceptualization for this study will be based on the work of Aaker (1996). As a leading authority in the brand community, Aaker presents brand identity through the perspective of the firm. Even though Aaker discusses brands in general, he also uses several corporate brands to exemplify brand identity. The most important aspect of brand identity is the *core identity*, which Aaker describes as the “central, timeless essence of the brand” (p. 178). The core identity contains associations that usually remain constant when the brand travels to new markets and products. It represents the fundamental beliefs and values of the brand as well as for what the organization stands (ibid). Thus, organizational values should correspond with the core identity. The *extended identity* on the other hand, adds flexibility, texture, and completeness to the brand (ibid). A brand’s personality is usually a part of the extended identity; therefore, brand associations can be part of either the core or extended identity. Furthermore, the brand associations are grouped into four perspectives: *product*, *organization*, *person*, or *symbol* (ibid). Examples of associations based on the first three perspectives are shown in Table 3.5. In addition to drawing associations from the history, the people, or the values of the firm, corporate brands also have access to product- and personality related attributes (Aaker, 2004).

Table 3.5: Examples of Brand Identity Associations

Product Associations	Organisational Associations	Personality Associations
Product Scope	Heritage	Sincerity
Product Attributes	Assets and Capabilities	Excitement
Quality/Value	People	Competence
Uses	Values and Priorities	Sophistication
Users	Local vs. Global Orientation	Ruggedness
Country of Origin	Citizenship	
	Firm Performance / Size	

Source: Based on Aaker (1996, 2004)

Moreover, the identity should provide the customer with *functional and emotional benefits*¹⁴. Functional benefits are related to actions performed by the product or service. Emotional benefits are non-functional benefits that give the customer a positive feeling or a way for the customer to express their self-image. Combined, these benefits provide value to the customer. Thus, value can be seen as the aggregated benefits provided by the brand. The brand identity is conceptualized in Table 3.6.

Table 3.6: Measures Used to Capture the Brand Identity (RQ 1)

Conceptual Area	Concept	Conceptualization	Measure Used
Brand Identity (Based on Aaker, 1996)	Core Identity	Associations that represent the fundamental beliefs and values of the corporate brand	Identification and description of the associations (product, personality, organization, and symbol) that represent the fundamental beliefs and values of the corporate brand
	Extended Identity	Associations that add completeness to the corporate brand and that are not part of the core identity	Identification and description of the associations (product, personality, organization) that add completeness to the corporate brand and that are not part of the core identity
	Brand Associations	Corporate brand associations that are based on either product, personality, organizational or symbol related attributes	Respondents' description of the product, personality, organizational, or symbol related associations that the firm uses to describe the corporate brand identity
	Functional Benefits	Functional benefits delivered by the corporate brand that provide value to the customer	Respondents' description of the functional benefits delivered by the corporate brand that provides value to the customer (value = aggregated benefits of the brand)
	Emotional Benefits	Emotional benefits delivered by the corporate brand that provide value to the customer	Respondents' description of the emotional benefits delivered by the corporate brand that provide value to the customer (value = aggregated benefits of the brand)

¹⁴ The brand literature often mentions functional and emotional values/benefits as key characteristics of brands (source). Aaker (1996) does however differentiate between emotional and self-expressive benefits. Due to the subtle differences between these types, self-expressive benefits will be treated as part of emotional benefits.

The third and final step of the internal corporate brand building process is to establish the brand position, the part of the brand identity that is actively communicated.

Brand Position

Through the *brand position*, the company aims to create a positive image for the corporate brand in the minds of potential customers. It can be seen as the cornerstone of the communications program and should demonstrate a competitive advantage (Aaker, 1996). Not all elements need to be communicated, but the core identity should be used since it represents the brand’s essence (ibid). It also provides consistency to the brand through certain unique aspects that can stand the test of time. Thus, brand position is a narrower concept than brand identity and can be expressed in a brief positioning statement (ibid). Although Aaker (1996) considers the brand position as the implementation of the brand identity, implementation in this study is viewed in terms of both brand identity and brand position (consistent with e.g., Knox & Bickerton, 2003). As mentioned previously, the implementation of the corporate brand is outside the scope of this study. Knox and Bickerton (2003) instead discuss the corporate brand proposition, which consists of a number of brand positioning statements. Keller (2000) differentiates between the internal positioning (toward employees) and external positioning (toward stakeholders) of the brand. Furthermore, corporate brands can have several related but distinct positions (Keller, 2003). Consequently, this opens up the possibility that service firms may have multiple positions for their corporate brand. The conceptualization of the corporate brand position statement is summarized in Table 3.7.

Table 3.7: Measures Used to Capture the Corporate Brand Position (RQ 1)

Conceptual Area	Concept	Conceptualization	Measure Used
Brand Position (e.g., Aaker, 1996)	Brand Position Statement	Statement(s) used to describe the part of the brand’s identity that is to be actively communicated internally and/or externally	Identification and description of the corporate brand position statement, i.e., a position that is part of the brand identity that is to be actively communicated internally and/or externally

After having conceptualized terms included in the first research question, it is now time to turn to the second research question, which examines the team involved in building the brand.

3.5.2 Research Question Two

The second research question concerns the *brand team* involved in the internal corporate brand building process. The corporate brand literature stresses the need for senior management to be involved in the process (Knox & Bickerton, 2003; Balmer & Gray, 2003). It is also claimed that the CEO is responsible for the corporate brand (ibid). The individual who is ultimately responsible for nurturing and protecting the brand is the brand champion; this does not necessarily have to be the CEO (Aaker & Joachimsthaler, 1999). The corporate brand building process is usually in the hands of a brand team (de Chernatony, 1996). The teams responsible for corporate brands tend to be larger than those for product brands. Consultants may also be part of the brand team (Harris & de Chernatony, 2001; Aaker & Joachimsthaler, 1999). Furthermore, it is of interest to determine how the individuals in the brand team contribute to the process and during which step(s) these individuals are active. The measure used to describe the contribution of individuals in the internal corporate brand building process is described in Table 3.8.

Table 3.8: Measures Used to Capture Research Question Two

Conceptual Area	Concept	Conceptualization	Measure Used
Brand Team	Brand Team (e.g., Harris & de Chernatony, 2001)	Individuals who are actively involved in the internal corporate brand building process	Mapping out the key individuals who are actively involved in the internal corporate brand building process
Brand Team	Brand Champion (Aaker & Joachimsthaler, 1999)	The individual who is ultimately responsible for protecting and nurturing the brand	Mapping out the individual who is ultimately responsible for protecting and nurturing the brand

Having presented the research questions, the conceptual framework, and the conceptualization of key terms, the next chapter will describe the underlying method for the research process used in this study.

4. Methodology

4.1 Introduction

In this chapter, the methods used for collecting the data will be presented along with the quality criteria for this study. Methodology refers to how the research should be conducted, while methods concern the tools and techniques that are used to collect data (Saunders et al., 2003). Research is defined by Saunders et al. (2003) as “something that people undertake in order to find out things in a systematic way, thereby increasing their knowledge.” Consequently, the systematic approach used for this study needs to be presented. Research should be based on logical relationships and not just the beliefs of the researcher (Saunders et al., 2003).

The *research process* (see Figure 4.1) shows the approaches, strategies, and data collection methods that are available in research. The choices for this thesis are underlined.

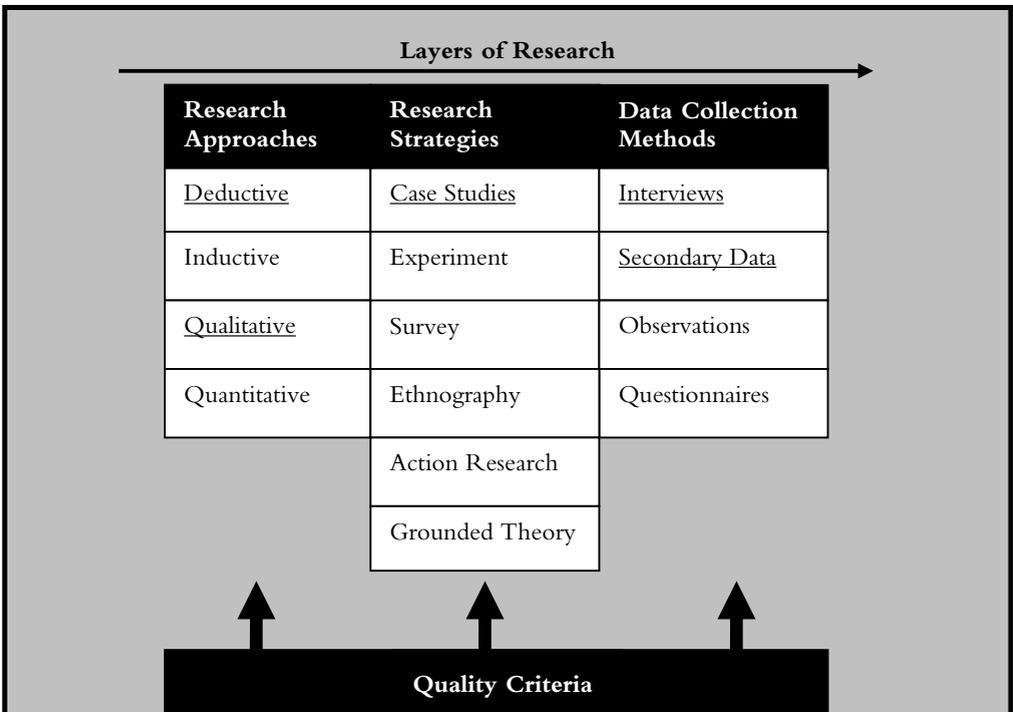


Figure 4.1: The Research Process

The quality criteria used to increase validity and reliability will be discussed at the end of this chapter. The layers in the model will also serve as the general structure for this chapter, starting with the research approach.

4.2 Research Approach

This thesis follows the deductive approach. Deduction means that “a clear theoretical position is developed prior to the collection of data” (Saunders et al., 2003, p. 28). Although deduction is usually connected to a positivistic standpoint, it is adopted for this study. Existing theory could be used to develop a conceptual framework, which means that a deductive approach is possible. It also takes less time to execute than the inductive¹⁵ approach (Saunders et al., 2003). Through deduction, theory can be generated or tested (Bryman, 2002).

Research methods can be classified as qualitative or quantitative approaches (Bryman, 2002). A general characteristic of the qualitative approach, which is conducted in this study, is an emphasis on words rather than numbers (ibid). Qualitative data can reveal complex issues and are useful to understand a new area (Miles & Huberman, 1994). The social reality that is described in this study, is mainly understood through the interpretation of how respondents perceive their social reality. To understand individual actions, thoughts, feelings, beliefs, and values, face-to-face interaction is needed (Marshall & Rossman, 1999). Even if complete objectivity is impossible to achieve in qualitative research, the researcher must prove that he or she has acted in good faith (Bryman, 2002).

We study corporate brand building by using the qualitative approach. Marshall and Rossman (1999) argue that the qualitative approach is appropriate for research that deeply studies processes, a phenomenon where little research has been conducted, research on informal and unstructured linkages within an organization, and when relevant variables are yet to be identified. These arguments do all apply for this study. Furthermore, qualitative research is applicable to this study’s exploratory and descriptive nature and highlights the importance of context, setting, and participants’ frame of reference, which are also important factors for this study.

4.3 Research Strategy

The research strategy is a plan of how the researcher will go about to answer the research questions (Saunders et al., 2003). The strategy chosen for this study is the case study approach. A case study is defined by Robson (as cited in Saunders et al., 2003) as “a strategy for doing research which involves an empirical investigation of a particular contemporary phenomenon within its real life context using multiple sources of evidence” (p. 93). Case studies are useful when the researcher is looking for a rich description of context and processes (Saunders et al., 2003). Case studies

¹⁵ An inductive approach means that we from various phenomena in reality that are perceived by our senses, formulate more general statements (theory, models) Eriksson and Wiedersheim-Paul (1998).

are also applicable for exploratory studies. Existing theory may be tested and challenged from a case study, which, in turn, might generate hypotheses (ibid).

How can the choice of case studies in this research be motivated? According to Yin (2003), case studies can be used for the exploratory and descriptive purpose of this study. As shown in Table 4.1, the researcher can choose a suitable research strategy based on three conditions: the type of research question, the extent of control that an investigator has over actual behavioral events, and whether the focus is on contemporary or historical events (ibid).

Table 4.1: Relevant Situations for Different Research Strategies

Strategy	Form of research question	Requires control over behavioral events?	Focuses on contemporary events?
Experiment	How, Why?	Yes	Yes
Survey	Who, What, Where, How many, How much?	No	Yes
Archival analysis	Who, What, Where, How many, How much?	No	Yes/no
History	How, Why?	No	No
Case Study	How, Why?	No	Yes

Source: Yin (2003), p. 5

How-questions are used in this study. The corporate brand building process is a complex phenomenon that includes informal links and processes that are best understood by asking how and why questions. This study does not require control over behavioral events. Instead, it focuses on contemporary events and, consequently, the case study approach is the most appropriate research strategy.

Multiple cases have been used, which is preferable when testing a theory or generating a new theory, since the comparison between cases gives further insight of a social phenomenon (Bryman, 2002). A multiple case study is more robust than a single case study, because the evidence collected is more compelling (ibid). The embedded multiple case design of this study means that multiple units of analysis as well as multiple cases are used. Yin (2003) argues that the unit of analysis is related to the research questions, while the main unit of analysis is related to the main question for the study. For this thesis, the main unit of analysis is found in the research problem; *internal corporate brand building in service firms*. The embedded subunits of the study are found in the two research questions, namely the *internal corporate brand building process* and the *brand team*.

4.3.1 Sample Selection

Case study research does not lend itself to the use of probability sampling. According to Potter (1996) there are two key criteria for sampling in qualitative research, i.e., access and relevance. The three cases in this study were selected mainly because of relevance but also due to access. A purposive sampling has been followed, since the goal is to find illustrative cases of firms that successfully and deliberately work with their corporate brand. This study examines only service firms. Based on Shostak (1977), a service firm is perceived as a firm in which the intangible attributes of their products are more dominant than the tangible. The internal corporate brand building process will be studied for established brands. The reason for this is that a company with an established brand is expected to have gained valuable experience and more structure. Strong Swedish corporate brands were reviewed as candidates for the study, including a brand that recently has undergone a clear change in its position. The three cases will now be presented.

Case 1: Skandia¹⁶

Skandia is one of the world's leading suppliers of financial services, e.g., long-term savings and financial security solutions. Skandia was established in 1855 in a three-room apartment close to the Royal Castle, first offering life and fire insurance. Today, Skandia is active in 20 countries and has about 5800 employees. The sales for 2005 were 128 billion SEK. Through their core competencies (fund selection, concept development, and market support and service), Skandia aims to create financial security and freedom of action for their customers. Skandia works with investment managers worldwide and often relies on independent distributors such as agents and banks. In the last few years, Skandia has transformed from a property and casualty insurance company into a dynamic provider of long-term savings. In February 2006, Skandia became a subsidiary to the international financial services group Old Mutual.

In the autumn of 2003, a crisis occurred in Skandia. The previous management had implemented an unreasonable bonus and pension program and had also approved illegal luxury renovations of their private apartments. The crisis had a negative impact for the Skandia brand and the company reputation. Skandia received much negative publicity but has started to recover from the scandal. It is now the largest company in the Swedish life insurance market. Interestingly, Skandia used the crisis to their advantage by claiming that thanks to their reputation, they can't afford mistakes, they have to be the best at what they do. This study concerns Skandia's Nordic division.

¹⁶ Information collected from Skandia's Homepage (<http://www.skandia.com/> 2006, June 20)

Case 2: SEB¹⁷

Sweden's first commercial bank, Stockholms Enskilda Bank, was founded in 1856 by the visionary André Oscar Wallenberg. It played an important role in Sweden's transition from a peasant community to an industrialized nation. Many large scale enterprises received their first financial ammunition from the bank. In 1972, Stockholms Enskilda Bank and Skandinaviska Enskilda Banken merged into SE-Banken. After acquiring the insurance company Trygg Hansa in 1997, SE-Banken changed their corporate brand name to SEB. Today, SEB is a north European financial group represented in over 20 countries worldwide. The main markets are the Nordic and Baltic nations along with Germany and Ukraine. SEB has approximately 5 million customers, 20,000 employees, and 600 bank offices around the world. Total revenues for 2005 were 34 billion SEK, and profits were 8.4 billion SEK. The main products are bank services and life insurance. Large companies are the most important customer group for SEB.

SEB is a strong corporate brand in the bank sector for northern Europe. SEB has top rankings in several bank areas in the Nordic and Baltic markets. It also has a strong position amongst large enterprises and the bank has grown rapidly since 1997.

Case 3: Svensk Fastighetsförmedling¹⁸

With 202 agencies, Svensk Fastighetsförmedling is the largest chain of estate agents in Sweden. The company was founded in Linköping 1937 by Erik H. Lundgren. The company mediates houses, apartments, leisure homes, and commercial estates. Private customers account for 90% of sales. Svensk Fastighetsförmedling is a voluntary chain of estate agents who share ownership of the company. Each broker buys a share in the company and pays a fee that is based on the local market potential. The nationwide marketing of the corporate brand is controlled by the head office, which is based in Stockholm.

During the past few years, Svensk Fastighetsförmedling has made significant changes in their branding approach. The logo has been changed, and their new slogan "from one situation to another" stands out among real estate agencies. It can be expected that the assurance of a strong brand is an asset in the estate industry, given the importance of buying or selling a home.

¹⁷ Information collected from SEB's homepage (<http://www.seb.se/> 2006, June 20)

¹⁸ Information collected from Svensk Fastighetsförmedling's homepage (<http://www.svenskfast.se/> 2006, June 20)

4.4 Data Collection Methods

This section will describe how the data was collected for this study. The main data collection was personal interviews, and the respondents will therefore be briefly presented. A discussion of how the data was presented and analyzed in the study will also follow.

4.4.1 Data Collection

According to Yin (2003), six empirical sources are available for case studies. In this study, two sources have been used namely documentation and interviews. Yin recommends using multiple sources of evidence (i.e., triangulation) when conducting case studies. The most important advantage of using multiple sources is the development of converging lines of inquiry. In other words, a finding that is based on several sources is stronger than one based on a single source.

The main data collection method used in this study is the semi-structured interview. For the semi-structured interview, an interview guide was created (see Appendix 1). The interview guides contain a list of themes and questions (Saunders et al., 2003). The interview guide was based on the conceptual framework, the research questions, and the conceptualization of key concepts. The interview guide opened up the possibility to consider other factors that were not part of the conceptualization. As Marshall and Rossman (1999) argue, an in-depth interview is similar to a conversation rather than being a formal event with fixed response categories. Compared to a structured interview, questions were more generally formulated and open-ended in this study. Furthermore, follow-up questions were used when appropriate, which is also recommended by Bryman (2002). Furthermore, in accordance to Bryman, we were able to answer specific research questions with a semi-structured interview because of a clear focus. To improve validity, the interview guide was tested on two managers before being used for collecting data.

The advantage of interviews is that they are flexible and useful for understanding the viewpoints held by respondents (Bryman, 2002). Large amounts of data can also be obtained through interviews (Marshall & Rossman, 1999). Furthermore, the respondent can focus on important issues, as long as the discussion is within the scope of the study (Bryman, 2002). The interviewer must also ensure that the interview moves forward to complete the questions within the allotted time frame (ibid).

It was important to find respondents who were most knowledgeable about the corporate brand building process in the firms selected for this study. Therefore, respondents were chosen after they were confirmed as key persons involved in

building the corporate brand. Before the interview, respondents were informed about the broad themes (see Appendix 1) via e-mail. The interviews took place at the respondents' firm. Before the questioning started, respondents were informed about the study and how their responses were going to be treated. We also asked for permission to record each interview, and all respondents accepted this request. Notes were also taken during the interview. Each interview lasted about an hour and a half and was conducted in Swedish. Bryman (2002) suggests that the researcher should pose clear questions, be a good listener, be critical if the respondent is inconsistent, relate to what has previously been discussed, and find the right balance between talking too much and too little. We tried to follow these guidelines during the interviews. At the end of each interview, the interview guide was reviewed to see if any important issues had been left out.

The marketing managers of each firm were interviewed and will be introduced next.

The Respondent at Skandia

The marketing manager at Scandia's Nordic division is in charge of building Scandia's corporate brand. She started at Skandia in 1994 and was previously the marketing manager for Skandiabanken. As a result of the crisis that started in the autumn of 2003, she was put in charge of the successful "Skandia comeback" project. Since August 2004, she has been the marketing manager at Skandia and a member of the management team at the Nordic division. She heads the Department of Marketing and Communication, a support function within Skandia that handles all internal and external communication.

The Respondent at SEB

The marketing manager for the SEB group started at SEB 6 years ago and worked with the marketing project Team SEB in the Volvo Ocean Race for over 2 years. His main task is to work with the corporate brand and the brand platform, which should guide all communication within SEB. The platform secures a direction and guides how the corporate brand should be strengthened.

The Respondent at Svensk Fastighetsförmedling

The marketing manager of Svensk Fastighetsförmedling has worked for the company for 2 years. His tasks are both strategic and operative and involve the corporate brand, their offer and to plan how employees should work with the corporate brand. The marketing manager is the person who is most involved with the corporate brand and works at the head office, located in Stockholm.

4.4.2 Presentation and Analysis of Empirical Data

Yin (2003) discusses three general strategies for analyzing the case study data: relying on theoretical propositions, rival explanations or case descriptions. This study relies on theoretical propositions. Since this study is deductive, the theory has guided the case study presentation and analysis. The main unit of analysis and the embedded subunits are all based on key theoretical brand building concepts, which served as the structure for analyzing the empirical data. The data was collected in Swedish, sorted in Swedish and then translated to English.

Besides following the general strategies, more specific analytic techniques can also be used. Yin (2003) recommends using a pattern-matching logic which has been used in this thesis. When comparing cases, similarities in building the corporate brand have been looked for. This is referred to as literal replication by Yin (2003).

Miles and Huberman (1994) argue that data display is very important in qualitative research. Data display means that the data are presented in a structured format that enables the reader to draw conclusions. When analyzing the data, we used tables and process charts to summarize the main issues of the analysis. Analysis of each case has first been conducted to compare how the empirical data fits with the conceptual framework. This has been followed by a cross-case analysis. Figure 4.2 summarizes how this study's research problem and questions have guided the analysis to reach the conclusions and implications.

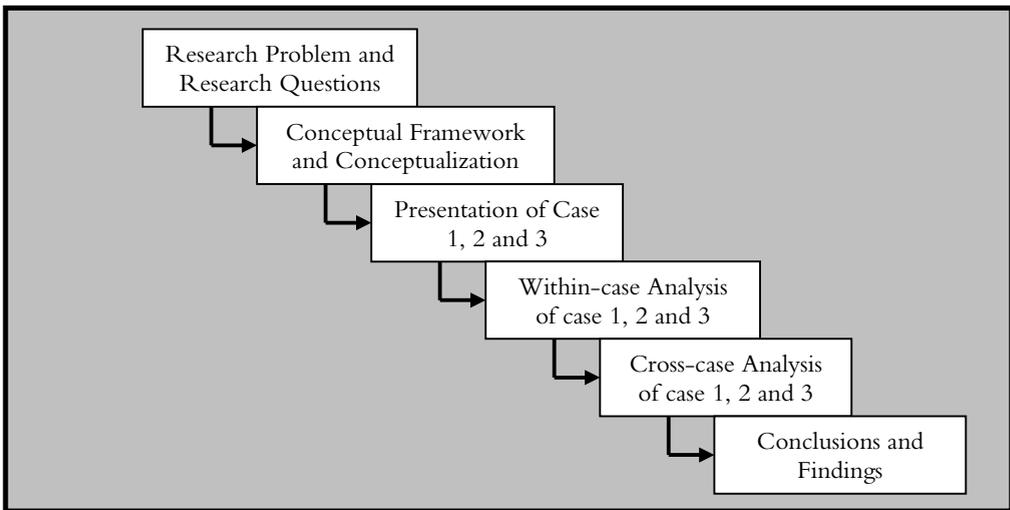


Figure 4.2: The Process of Presenting and Analyzing the Empirical Data

4.6 Quality Criteria

In this section, the quality criteria of this study will be discussed, i.e., what measures has been taken to improve the quality rigor of this research. The concepts of *validity* and *reliability* are traditionally used to describe the quality of quantitative studies, but they are also applied to qualitative studies. Bryman (2002) argues that validity and reliability can still be used for qualitative research by having less focus on measurement. If they are not adapted for qualitative studies, then the researcher believes that he or she can capture the real social reality, i.e., a realistic view of reality. Instead, we believe that reality can be described in different ways and that a single (true) reality cannot be reproduced. The concept of *trustworthiness* can also be used to describe validity and reliability in qualitative research and it consists of four sub-criteria: *credibility*, *transferability*, *dependability* and *conformability* (ibid).

Validity can be explained as what we observe or that we measure what we intend to measure (Bryman, 2002). Validity can be divided into internal and external validity. *Internal validity* means that there is a good correspondence between the data collected by the researcher and the theoretical ideas that the researcher develops. *Credibility* is a criterion that is comparable to *internal validity*, and it concerns the extent to which others accept the researcher's description of reality (ibid). Furthermore, Marshall and Rossman (1999) argue that credibility means that the object under study is accurately described. To improve the internal validity and credibility in this study, the individual most knowledgeable about internal corporate brand building in each case was interviewed. The interviews were based on the conceptualization of key theoretical concepts, thus being connected to current theory in the field. Qualitative research is also strengthened if more than one source of data is used, i.e., triangulation (Potter, 1996). Multiple sources of evidence were used, such as an internal brand manual for Svensk Fastighetsförmedling, internal brand documents in SEB, and other sources of secondary data such as annual reports and company websites. The interviews could also be taped, which allowed us to accurately document what was being said. In accordance with Bryman (2002), we tried to give a rich description of the phenomenon since details can be important for the context in which people act. However as Bryman (2002) argues, too many contextual details can also be negative if they shadow the analysis of collected data.

External validity or *transferability* refers to the extent to which the results can be generalized to other situations. This is difficult to achieve in qualitative research due to small and unrepresentative samples and the large amount of potentially relevant variables needed to capture a complex phenomena (Bryman, 2002). This study does not aim generalizing to a larger population. However, in accordance with Getz (as cited in Bryman, 2002), we have tried to improve the transferability by providing "thick descriptions" of internal corporate brand building in the three

service firms. This will allow the reader to see how the empirical data fits with theory, and the results might also be useful for a similar setting.

Reliability concerns the extent to which the research may be replicated, yielding the same results (Yin, 2003). A similar concept is *dependability* (Bryman, 2002). Qualitative research, however, does not claim to be replicable (Marshall & Rossman, 1999). Qualitative researchers must understand and record a complex situational context and may for example use follow-up questions, which will make the study difficult to replicate. In addition, replication is complicated by the fact that the real-world constantly changes (ibid). However, reliability and dependability should not be neglected and we have therefore tried to clearly present and justify this study's research process (i.e., a chain of evidence). The same interview guide (appendix 1) was used and as mentioned before, the interviews were also recorded.

Finally, *conformability* means that although the researcher understands that complete objectivity is impossible, we must ensure that we have acted in good faith. The personal values of the researcher should not affect the execution of the study or its findings (Bryman, 2002). According to Marshall and Rossman (1999), conformability implies that someone else can confirm the findings. Also, the collected data should confirm the findings and implications of the study (ibid). These recommendations were followed throughout the work to try to increase the extent to which the findings are free from bias.

5 Empirical Data

5.1 Introduction

In this chapter, the empirical data of the three cases will be presented. The companies—Skandia, SEB, and Svensk Fastighetsförmedling—were briefly presented in the previous chapter. In this chapter, the cases are presented separately; thus, this chapter consists of three parts, one for each case (company/corporate brand). Each case will be presented according to the following structure:

- * Company information
- * Corporate brand
- * The internal corporate brand building process
 - Brand audit
 - Brand identity
 - Brand position
- * Brand team
- * Summary of the the internal corporate brand building process

5.2 Case Study One: Skandia (Nordic Division)

5.2.1 *Company Information*

Table 5.1 presents a summary of Skandia. According to the annual report (2005):

Skandia is one of the world's leading independent providers of quality solutions for long-term savings. We offer products and services that meet our customers' needs for saving and financial security in various phases of life. By concentrating on our core competencies—fund selection, concept development, and market support and service—we create an attractive offering with high quality and freedom of choice. (p. 2)

Skandia is active in 20 countries, but its main markets are the United Kingdom and Sweden. The company employs approximately 5,800 people and serves both private customers and companies (ibid). According to the marketing manager, companies represent 80 percent of sales. The typical Skandia customer is educated and well-mannered, with global values and a good economy (ibid). Skandia is owned by the international financial group Old Mutual. The focus of this study is the Nordic division within Skandia.

Table 5.1: Skandia Facts

Area	Skandia
Concept (i.e., mission)	“Creating financial security and freedom of choice is at the heart of Skandia’s business. We aim to help our customers secure their long-term savings—based on their individual situations”
History	Started in 1855 in Stockholm and offered life and fire insurance
Main Product	Long-term savings
Main Market (s)	United Kingdom and Sweden
International Markets	Located in 20 countries in Europe, Asia, Australia, and Latin America
Employees	5,800
Customer groups	Private customers, companies (80 percent of sales)
Customer description	Educated, well-mannered, good economy, global values. (the marketing manager, Skandia, personal interview)

Sources: Skandia’s Homepage (www.skandia.com); Annual Report (2005).

In the autumn of 2003, Skandia was hit with a crisis¹⁹ involving previous management. According to the marketing manager, who was leading the project “Skandia comeback,” current management needed to get the company back on its feet and make things work. “We said that we can’t just sit back and be passive as leading newspapers destroy Skandia’s reputation” (the marketing manager, Skandia). She described the situation as very frustrating because they did not know if the news in the paper was true or not. Therefore, they decided to isolate the scandal and concentrate on what they could do, which was to take care of their customers. The customers were presented with a “classic crisis package,” which meant that they were told what had happened and what measures Skandia had taken to ensure that it would not happen again.

¹⁹ Skandia’s previous management members gave themselves large bonuses for fictitious future earnings and let the firm pay for luxury renovations to their private apartments. A trial is in progress, and the prosecution of former CEO Lars-Eric Petersson is based on a preliminary investigation of 6,000 pages (www.dagensps.se).

5.2.2 *The Corporate Brand*

The marketing manager of the Nordic division has been most active in building the Skandia corporate brand within the whole Skandia group during the recent years. To explain this, she says that recently no marketing/brand manager has been at the Skandia group level. The brand perspective of Skandia is to view the brand as a customer promise. The Skandia logotype was created in 1964, and only minor graphical changes have been made since then. The logotype forms a blue umbrella and was originally a fusion of 53 insurance firms. It is the same worldwide, although some small details on the logo may differ. The marketing manager also states that, outside the Nordic countries, the brand is less known among consumers since the communication is targeted at distributors.

Because of the crisis, the Skandia brand had taken severe damage as it became associated with the scandal. The marketing manager was given the important task of rebuilding the Skandia brand and salvaging its tainted reputation. She says that, during the crisis, “it was not possible to go out and communicate that the company offered great products—no one would have listened”. Therefore, Skandia chose to use campaigns with the slogan “with our reputation, we can’t afford mistakes.”

According to the marketing manager, “we said in an honest and open way that it is terrible what has happened, we who work at Skandia think so, and we were the only ones who could do something about it”. She believes that the company has now made enough apologies and can start concentrating on what it offers the market. The marketing manager is proud of the turnaround the company has managed, and it is once again the market leader in the life insurance market while keeping many good employees. She also says that the company’s score in customer and employee surveys is rising, indicating that Skandia is currently doing very well. However, something Skandia currently struggles with is its brand portfolio. Skandia has two sub-brands—Skandiabanken²⁰ and Skandia Liv²¹—which it has considered abandoning in favor of creating one strong Skandia master brand. However, as the marketing manager points out, even if the company’s ambition is to create a strong master brand, it is not yet decided whether it should abandon the sub-brands. Skandia’s brand perspective, architecture, and logotype are summarized in Table 5.2.

²⁰ “SkandiaBanken is an online retail bank for customers in Sweden, Norway and Denmark. The value proposition is based on four cornerstones: simplicity, accessibility, favorable terms, and a full range of services. SkandiaBanken has 841,000 customers”. Skandiabanken is a wholly owned subsidiary of Skandia and has about 500 employees (Skandia’s webpage, July 2006).

²¹ Skandia Liv is a wholly owned subsidiary of Skandia. Skandia Liv offers traditional life and pension insurance solutions (Skandia’s annual report, 2005).

Table 5.2: Facts about Skandia’s Corporate Brand

Corporate Brand Fact	Skandia
Brand Perspective	Brand as a promise
Brand Architecture	Corporate brand: Skandia. Subbrands: Skandiabanken, Skandia Liv
Creation of Logotype	1964. A blue umbrella. Originally a fusion of 53 insurance firms

5.2.3 The Internal Corporate Brand Building Process

Skandia considers the brand building process to be important and involves the management. However, the central individual in the process is the marketing manager, who moves the process forward. A brand team has been identified (presented in 5.2.4), and activities in the process are handled in a systematic manner where everything is documented. The first step of the process is the brand audit, presented in the following paragraphs.

Brand Audit: The starting point

The latest internal corporate brand building process started in August 2004, when the new management group for Skandia’s Nordic division was formed. The marketing manager is responsible for the communication strategy, in which she must clarify which core values are important for Skandia and communicate this information both internally and externally. The marketing manager claims that what Skandia communicates must go hand in hand with what the customer experiences, what employees experience, and what other stakeholders experience. The brand building process aims to consolidate Skandia and create a strong corporate brand, which Skandia sees other companies doing, she claims and also states that the motive behind creating a master brand is the change in consumer buying behavior. Previously, Skandia considered its customers to be too diverse for having one master brand. For example, customers could buy products over the Internet or have a personal meeting with a financial advisor. However, Skandia discovered that customers do not necessarily belong to one customer group; instead they move between channels depending on family situations or lifecycle. The marketing manager says that the company wants to avoid making Skandiabanken a separate channel (on the Internet), instead uniting everything into a master brand.

“We wanted to build one Skandia” - The marketing manager, Skandia

The marketing manager states that, every time a new management group is formed—as in August 2004—the brand building process is reviewed. The first step in the process is to conduct a brand audit in which the mission, vision, and customer promise are examined. In 2004, the brand audit was conducted with the help of consultants who hosted a number of workshops. The consultants prepared for the workshops by conducting marketing research, interviewing customers, and studying the results of previous surveys. Skandia’s management team needed to answer several questions:

- How is the Skandia brand perceived by employees, customers, and partners?
- How do we perceive the Skandia brand?
- How do we want the Skandia brand to be perceived?

The marketing manager says that, in reviewing what Skandia stands for, management should investigate the relevance to the customer when choosing an insurance company; if Skandia is strong at something that is relevant, that should be enhanced. She also says that, if Skandia stands for something that is not relevant for customers, management needs to consider what to do about it. There is a big difference in how the public perceives Skandia compared to how Skandia is perceived by its customers. She claims that its customers are relatively loyal, but since Skandia has become such a well-known and scandalized company, the company must also turn to the public in its communication, which is clarified by saying that the company also wants its customers’ neighbors to think that Skandia is a good company.

Other external factors were also considered in the brand audit, including a new ITP²² agreement for 700,000 white-collar workers whereby the customers now choose for themselves who should manage their pensions, the marketing manager says. This means that Skandia must have a strong demand for its products and it needs to be on top in the consumers’ minds. According to the marketing manager, this is a challenge, since Skandia offers low-interest products to customers; however, she believes that this may change when the customers realize that they should take responsibility for their pensions. She further mentions Skandia’s competitor, AMF Pension, which currently has a strong position in the market because it effectively communicates its offer. According to the marketing manager, Skandia is much more knowledgeable about pensions than AMF; therefore, Skandia needs to communicate more to the market, which it intends to do. The idea is to merge everything into one master brand, but management must decide whether the company should compete on price (a strategy used by

²² ITP stands for “industrins och handelns tilläggs pension”, which is a supplementary pension plan for white-collar workers in the private sector (PTK, 2006).

Skandiabanken). According to the marketing manager, in regards to Skandia's corporate brand, price is not the most important factor. The price of a product is set depending on the level of service connected to it.

Another factor analyzed in the brand audit was values. The marketing manager claims that brand values should correspond with employee values. One distinct value that she and her consultants saw within Skandia was that it was competitive, which she believes is a strong value. However, some employees reacted negatively to that value; it was regarded as too offensive. As a result, they chose the value engaging, which is more suitable for external communication.

The marketing manager describes the result of the brand audit as a new customer promise, which has consequences for communication, Scandia's products, IT-related questions, and human resource questions. Management realized that extensive work lay before the company as it had to change Skandia's brand to account for the gap between how management wanted to be perceived and how Skandia actually was perceived at the time. The corporate brand had taken a severe blow from all the scandals that had been circulating in the media.

Brand Identity: The brand's platform

The next step in the process involved the brand platform, which Skandia is currently working on according to the marketing manager. She says it will be about Skandia as an innovative firm at the cutting edge. Skandia has historically been an innovative company, although it was temporarily slowed down during the crisis. Another brand value for Skandia is its competence. According to the marketing manager, Skandia is respected within its field of business and is associated with competence in insurance. The brand value competence is confirmed by the annual report, which describes "competent and energized employees as a prerequisite for achieving success and creating value for shareholders" (Skandia Annual report, 2005, p. 14).

Engagement is another value that Skandia wants to use. According to the marketing manager, customers who are currently leaving Skandia are not doing so because of the scandals, but because they want to see more from Skandia. Customers want Skandia to engage in a closer relationship with them, to feel they are contacted by Skandia. Therefore, engagement is something that the company would like to have as a part of its brand promise according to the marketing manager. The use of engagement as a value becomes evident when reading the recent annual report for Skandia: "My goal is that we will be perceived as the most engaged partner for creating better finances for individuals, families and companies throughout life" (Gert Engman as cited in Skandia Annual report, 2005, p. 28).

According to the marketing manager, one challenge for Skandia is to incorporate values currently held by Skandiabanken. Skandiabanken stands for simplicity, availability, and a new way to offer bank services. Skandia would like to do the same with insurance—to make insurance simple. Skandia believes that all values can be incorporated into one Skandia master brand; however, the debate as to how to do so is currently occurring within Skandia. Even among its consultants, who are brand experts, the views differ. Some believe that it is difficult to change a brand since it lives in the mind of the customer. The marketing manager on the other hand believes that changing a brand does not have to take that long, as long as there is a plan and the process moves forward at a pace customers can keep up with. In other words, Skandia needs to change its brand in order to be competitive in the future—i.e., incorporate the values of Skandiabanken into Skandia master brand. The marketing manager states that the core identity of Skandia is innovation and competence; it has not been working with an extended identity.

“Engagement may mean that we pick up the phone to ask the customer how they are doing and if they are satisfied with our products” – the marketing manager,
Skandia

According to the marketing manager, Skandia’s brand personality is perceived by customers as conservative, masculine, and somewhat belonging to the right wing. Skandiabanken, on the other hand, is perceived as exciting and a challenger. She admits that it has been hard to work with Skandia’s brand personality during the crisis since Skandia is still associated with scandals and greed, which is understandable since the previous management is going to jail. She indicates that Skandia will work more with its brand personality in the future and believes that a strong personality is important since it can influence which company customers choose; thus, the customer must have a positive feeling for the company. However, she claims that basic functional demands must be fulfilled before the brand personality will make a difference. Another reason why Skandia currently is not working with its brand personality is that Skandia recently got a new owner, the international financial group Old Mutual, which is currently reviewing Skandia’s business.

Brand Position

According to the marketing manager, a difference exists between the brand’s identity and its position. When transferring the brand from one position to another, values that previously have not been that clear can now become more evident. Skandia used to work with several positions, but now it wants to create a single position for Skandia. A reason for this, the marketing manager states, is that the buying behavior of customers is changing. Customers today use multiple channels; therefore, Skandiabanken should not be a different brand compared to,

for instance, Skandia Liv. Skandia has documented what functional and emotional benefits customers should receive from the corporate brand. The emotional benefit means that customers should feel smarter when doing business with Skandia, which is also in line with how Skandiabanken historically has perceived itself, she claims. A press release on Skandia's homepage from June 15, 2005, confirms the idea that customers should feel smarter when doing business with Skandia. In the press release, the marketing manager informs the public about the newspaper "Smart Företag," which was introduced for the company's customers. Previously Skandia had published the newspaper "Smart Ekonomi" for private customers. In addition to the newspapers, Skandia also publishes electronic newsletters for customers. In the press release the marketing manager states that "With our knowledge and experience from pensions we like to help our customers to make wise economical decisions" (Skandia Press Release, June 15, 2005). The functional benefit is communicated by Skandia as "intelligent solutions." It also includes good returns on its products while Skandiabanken is associated with an accessible and user-friendly Internet bank.

"We want the customer to feel smarter when doing business with us" – the marketing manager, Skandia

Skandia's typical customer is educated and well-mannered and has a good financial situation, thus having the scope for spending money. It is someone with global instead of local values, and geographic location is not relevant for Skandia. This can be compared to the more local character of Skandia's competitor, Föreningsparbanken (now called Swedbank). The marketing manager thinks that Skandia's new owner, a global financial group, will benefit the customer.

No difference exists between the internal and the external position according to the marketing manager. The statements Skandia uses are about its customer promise, through which Skandia differentiates itself in the market and shares how it wishes to be perceived by its customers and other stakeholders. The customer promise is according to the marketing manager "the most engaged partner," "improved economy" and "safety through all phases of life". She thinks that the customer promise is the same as the brand promise. When looking closer at the customer promise to be "the most engaged partner," Skandia needs to consider what that really means compared to just selling a product. According to the marketing manager, it could mean that Skandia picks up the phone, contacts the customer, and shows interest in how the customer is doing. Skandia should ask the customer if they are satisfied with its products. It could also mean that each quarter Skandia sends a newsletter to the customer. According to the marketing manager, Skandia has initiated more intense communication with its customers. One explanation why Skandia previously had been poor in establishing relationships with its customers is that, in its value chain, the distributors handled the contacts

with customers. It also had to do with the reward system; if sellers are not rewarded for preserving a relationship, they will most likely have a short-term focus according to the marketing manager. A bank, on the other hand, has more frequent contacts with its customers. She therefore thinks that Skandia's Internet bank will be an important channel for strengthening the relationship with customers. Another opportunity for a relationship will occur when customers realize they have to engage in saving for their pensions. The marketing manager claims that the customer should be able to choose via which channel they want to communicate—over the phone, on the Internet, or in personal meetings.

The marketing manager admits that the brand promise is broad, but still it is something that identifies why customers should choose Skandia; it also motivates Skandia's employees. Skandia needs to have a strong offer that stands out on the market, and she believes that engagement and service are important components in that offer. It could be risky to rely only on functional benefits she says. For example, high returns on products can never be guaranteed. She says that Skandia should strive for promising good returns on savings since that is important for customers, but it can never promise to have the best returns. The marketing manager describes the most difficult aspect of the internal corporate brand building process as deciding whether Skandia should have different promises to different customer groups. She says that Skandia decided to work with broad promises and is therefore able to deliver the same brand promise to all customer groups, which also corresponds to the initial ambition to build one Skandia. Further she comments that it is more relevant if offers are different on the market and thus have different positions than how an offer is stated in words. She compares the different positions of Skandia as a whole to Skandiabanken. Skandia is associated with increased value, which costs money, while Skandiabanken has almost no fees at all.

5.2.4 Brand Team

The process starts with management, who implements the new plan through the different managers—a process which started in August 2004 when the new management team for Skandia's Nordic division was formed. A thorough brand audit was conducted, and the management of Skandia realized it needed to change the brand promise. The process had to be restarted in the autumn of 2005 since the group was not happy with the progress of moving Skandia to where it wanted the company to be. Skandia is following a three-year plan; the marketing manager is responsible for the communication strategy, which means working with Skandia's corporate brand. There are five other “part-strategy owners” in the management team. The marketing manager points out that the process of changing Skandia is huge, and it is easy to underestimate the work that is needed. When management members discuss these issues among themselves, the changes seem obvious; but

they should not forget that thousands of employees must accept these changes as well, she says.

The marketing manager is central in the corporate brand building process. The task of building and strengthening the corporate brand is assigned by the management team, of which the marketing manager is a member. She has a lot of freedom in working with the brand, such as defining core values and brand position, although all major decisions have to be approved by the management team. She points out that it is important that everyone in the management team feel part of the strategies in order for the implementation to succeed. The marketing manager also has frequent contact with the CEO of the Nordic division, who wants to know what progress the marketing manager has made. He has made clear that she cannot run away on her own, which the marketing manager claims she has no desire to do. She works within the frame of the general idea of what Skandia is. In the brand building process, the marketing manager works closely with two to three consultants who are brand experts and have been very helpful during the process she says. The consultants prefer to work with as few people as possible, since they otherwise may get differing directives, which can confuse them in their work. In addition to her consultants, the marketing manager also works with her colleagues in the department of marketing and communication. Everyone in the department accepts that they all cannot be part of the strategic work. Their main task is to implement the strategy that is decided, for which the marketing manager gives them free. Another group involved in the internal corporate brand building process is the marketing council at Skandia, of which the marketing manager is the chairwoman. The council consists of employees who are knowledgeable in marketing issues, including the marketing managers for Skandiabanken and Skandia Liv. The council meets once per month; the marketing manager can discuss proposals she has developed together with her consultants and colleagues in her department. If someone disapproves with a proposal, it is up to her to convince that person about the rational argument behind the proposal. However, if the whole council is against a proposal, she may listen to the criticisms and develop a new proposal. She thinks that it is important that no member of the council is dissatisfied with a decision, otherwise there is a risk of that person going behind her back and doing something on his or her own. However, as the marketing manager claims, that is probably not going to happen today; that kind of behavior occurred more in the past. The role of the council is therefore to prepare questions that later are to be discussed in the management team. It is assuring for the top managers to know that a proposal has been discussed in the council, where they have a representative of their division (e.g., the marketing managers for Skandiabanken and Skandia Liv).

“You have to be 100 percent loyal to the decision and to understand 100 percent why the decision has been made” – the marketing manager, Skandia

The marketing manager also reports once a month to a central project office about her progress. She says that the internal brand building process is very structured, which was not the case in the beginning. It is a prerequisite for things to work, she says. However, she sees a risk in going too far with the structure, since people may start to like the form itself instead of making progress. The marketing manager works with anchoring decisions both upwards and downwards in the organization. All contacts that her department and consultants have with the management go through her, meaning she is “the spider in the web” when it comes to building the corporate brand. When going through a changing process, the marketing manager says that decisions must be strongly anchored by the management, otherwise they will be impossible to implement. She says that an extremely powerful leadership is needed. If she had the slightest doubt about a decision, it would be easy to become uncertain when employees start to question a decision—and management needs to be completely loyal to the decision as well as to understanding why the decision has been made. She also thinks that it is up to a marketing manager to teach management about brand issues, which is easily confused with advertising. “You have to drive these questions like a small polecat,” she says, “even if you have people that stand above you in the hierarchy”. The individuals whom the marketing manager sees as most active in the internal corporate brand building process (besides the consultants) are the marketing managers for Skandia Liv and Skandiabanken and the head of Skandia’s Nordic division.

5.2.5 Summary of the Internal Corporate Brand Building Process

This section will summarize the internal corporate brand building process within Skandia. Figure 5.1 shows the different steps on the left side. The content of these steps is also summarized. The lower right side of the figure shows how the internal corporate brand building process is organized at Skandia. The figure also highlights the key role of the marketing manager in the brand building steps as well as her responsibility for reporting to the management team.

The process starts with a brand audit in which external and internal factors are considered. The internal factors that are important for building the brand include the company mission and vision, its current customer promise, brand architecture, and values. The external factors that are being considered include customers (how they perceived Skandia and their buying behavior), distributors/partners (how do they perceive Skandia), competitors, and legal issues (such as the new ITP-agreement). The process is initiated and performed by the management with the help of consultants. The audit should answer the questions:

- How does management perceive the Skandia brand?
- How do customers and other stakeholders perceive the Skandia brand?
- How does management want the Skandia brand to be perceived?

With the audit as a base, the marketing manager at Skandia's Nordic division is given the task to rebuild the Skandia corporate brand. Her first task was to define which core values the corporate brand should have. The chosen core values are innovation, competence, and engagement. Possible core values that may be incorporated into the Skandia brand are simplicity, availability, and a new way to offer financial services—values currently used for Skandiabanken. Currently, the marketing manager and her colleagues are struggling with the decision to either create one master brand or to keep the sub-brands Skandiabanken and Skandia Liv.

The third step of the internal corporate brand building process is to decide the brand position or brand promise. The brand promise is divided into functional values and emotional values. Functional values for the Skandia brand are “intelligent solutions,” “improved economy,” “security during all phases of life,” and a good return on savings. Emotional values include the customer feeling smarter when doing business with Skandia, Skandia being the “most engaged/energized partner,” and “security during all phases of life.” The brand promise is implemented first internally and then externally. The marketing manager of Skandia's Nordic division has a central role in the process, working out proposals with her consultants and her department, marketing and communication. The proposals are discussed in the marketing council for Skandia, and she reports to the management team of Skandia's Nordic division. She also has frequent contact with the head of Skandia's Nordic division, who wants to see her progress.

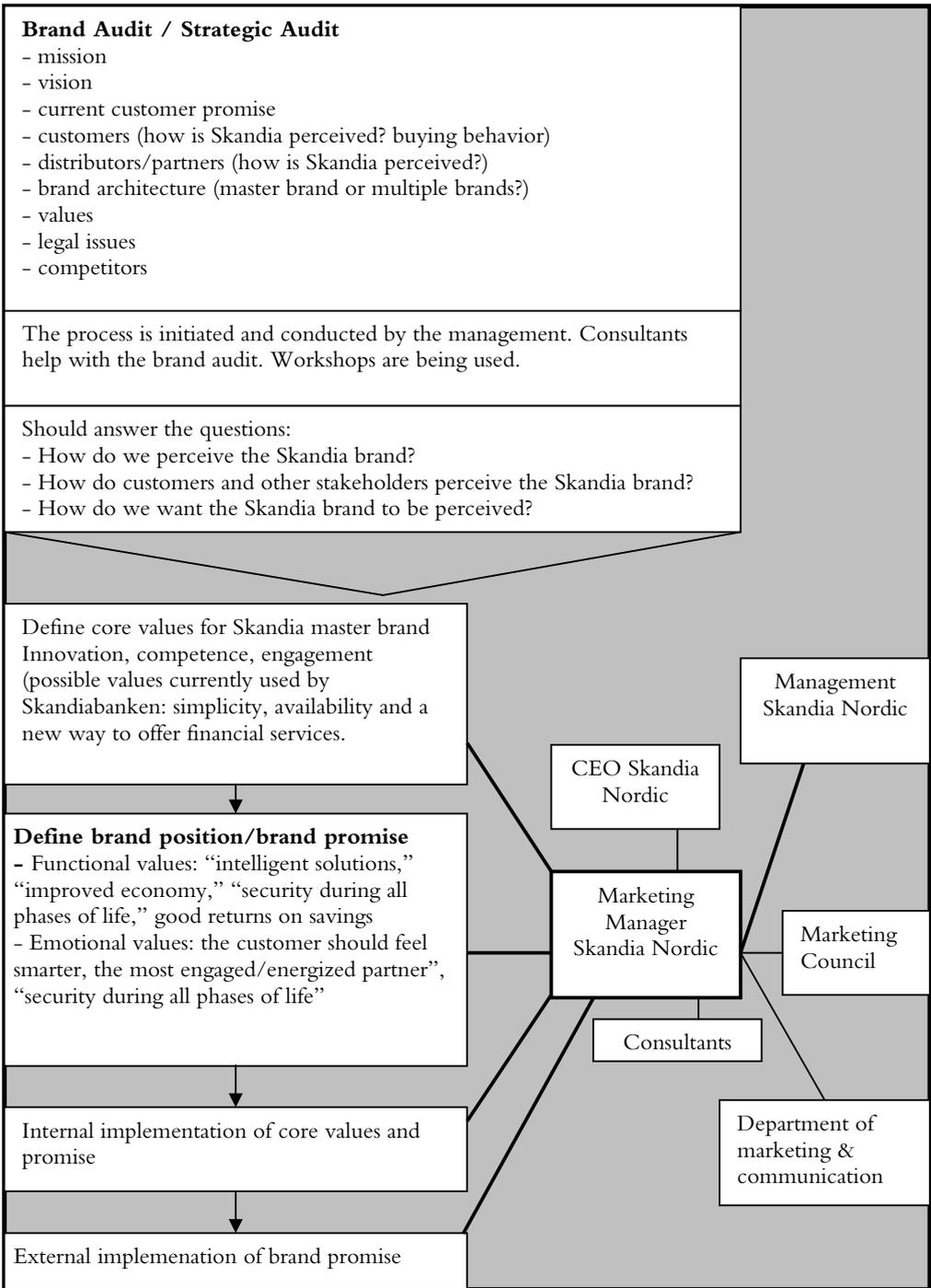


Figure 5.1: The Internal Corporate Brand Building Process at Skandia’s Nordic division

5.3 Case Study Two: SEB

As the previous case, the SEB case is first presented by general information about the company and the corporate brand. This is followed by the evidence of SEB's internal corporate brand building process and the brand team involved in the process.

5.3.1 Company Information

SEB was formed through a merger of Stockholm's Enskilda Bank and Skandinaviska Banken in 1972. SEB is briefly presented as follows:

The SEB Group is a North European financial group for corporate customers, institutions and private individuals with ten home markets in the Nordic and Baltic countries, Germany, Poland and the Ukraine. SEB has 680 branch offices and 5 million customers, of whom approximately 2 million use the internet for their banking transactions. The Group is represented in some 20 countries around the world and has a staff of about 20,000 (SEB's homepage, July 2006).

SEB serves three main segments: private customers, SMEs, and larger companies and institutions (ibid). One thing that distinguishes SEB on the Swedish market is its strong position toward large enterprises, according to SEB's marketing manager. He further mentions that large enterprises make up 60 percent of SEB's revenues, making SEB less sensitive to changes in the business cycle. The marketing manager says that it is a common misconception that SEB focuses on wealthy citizens; instead, he believes that SEB serves more demanding customers compared to other banks. He also describes SEB as a bank that focuses on large cities instead of rural areas.

“We have more qualified services and more qualified customers than our competitors”- the marketing manager, SEB

The marketing manager works in a small staff-function within SEB that works foremost with the corporate brand framework. A brand framework is needed in order to develop SEB in the desired direction. Previously, SEB did not work much with communication at the SEB group level, except on larger projects. His group works closely with marketing managers for each division. A division within SEB is either responsible for a geographic area or a product. The marketing manager describes the divisions as sales channels. There is a motivation to consolidate SEB through a SEB master brand as well as by streamlining all processes within SEB in the future. The marketing manager says that SEB currently talks often about “one solution—one function” within SEB; in other words, not replicating the same work at several places within SEB as a whole.

5.3.2 The Corporate Brand

SEB's corporate brand as it currently stands was created in 1998, when the brand name and logo were changed from SE-Banken to SEB. According to the marketing manager, about half of the customers still call SEB by its previous name, SE-Banken. He does not see this as a problem as long as it stands for the same thing. There are three primary graphical elements: the logotype S | E | B, the green color, and the typeface.

SEB is moving toward a single brand strategy. However, the marketing manager points out that the company will never be able to completely abandon sub-brands, although it wants to reduce the number of sub-brands and have fewer encumbrances on its brands. Sometimes the company needs to add information to its brand—for instance, when entering a new market. However, it will further restrict how the SEB brand graphically is presented worldwide, the marketing manager believes that there are other ways to communicate besides using the logo. He gives an example of SEB's expansion into the Baltic countries, where it acquired the leading bank in each country (Estonia, Latvia, and Lithuania). To keep the value of the strong local banks, SEB decided to use a co-branding strategy during the first few years. However, next year SEB will drop the local logotype and only work with the SEB brand. This corresponds with SEB's desire to create a global master brand. Another example is the Ukraine, where SEB chose to immediately abandon the local brand Agio bank and use SEB from the beginning since Agio bank was not as established as the banks in the Baltic countries, making it less risky to abandon the local brand. The marketing manager also mentions that among international customers, SEB only works with the SEB brand. According to SEB's annual report for 2005, one strategic focus to achieve the vision is to increase the coordination of activities and to create "One SEB."

SEB has two strong stand-alone brands—Eurocard and Diners—which it believes are better to keep outside the SEB family. SEB also uses a combination name for its pension and financial security solutions for private customers: SEB Trygg Liv.

5.3.3 The Internal Corporate Brand Building Process

The marketing manager comments that, for the brand strategy as a whole, there must be a flexibility that allows adaptation to local preferences. "We cannot be rigid, even if it is a strategy that concerns the whole SEB group", he says. The corporate brand steers all communication, including advertising, direct marketing, research, web, print, profile, and events (SEB, 2006). The marketing manager also comments that the process has taken longer time than expected, and he believes that local offices should become more subordinated to the central strategy.

Brand Audit: The starting point

SEB's brand building process starts with the brand audit, which considers factors called inputs. According to the marketing manager, SEB considers the following four inputs in its brand audit:

- Vision and business strategy (internal)
- Market, customers, and competitors (external)
- Core values (internal)
- Customer satisfaction, cost efficiency, cross-servicing (internal and external)

SEB's vision is to "be the leading North-European bank in terms of customer satisfaction and financial performance. Motivated employees and strong cooperation within the Group, 'One SEB,' are prerequisites for reaching the goals" (SEB, n.d.). The marketing manager claims that the company's vision and business strategy are obviously important elements for building the corporate brand. Management develops the vision and business strategy, with some input from the marketing team. According to the marketing manager, SEB is a completely different bank now compared to five or six years ago; now SEB is an international bank, and 55 percent of its revenues come from outside of Sweden. He believes that the biggest challenge for building the bank's brand is handling it in 10 markets simultaneously. He also comments that SEB needs to know how it can be different from competitors as well as what demands customers have. According to the internal document "Current situation & road map, SEB's Market Communication, Q1-2006," the following new customer demands have been highlighted: customers want 24/7 access, are more price sensitive, and are more internationalized. The document also describes an increased competition and the industry trend of niche banks. In the international arena, financial corporations continue their work toward strong single brands (e.g., Nordea, Danske bank, Citibank, and UBS). The third input SEB considers in the brand audit is its core values. According to the marketing manager, SEB has four core values—commitment, continuity, mutual respect, and professionalism—which are also stated on SEB's homepage. Each core value is broken down into practical explanations of how an individual bank manager should use it in daily work, the marketing manager claims. He sees a risk in core values becoming an internal tool only used vaguely toward customers. "You, for instance, need to translate mutual respect and professionalism into actual behavior. It should not be stamped into the customer's forehead by, for instance, having posters with these words", he comments.

Brand Identity: The brand's state of mind

The marketing manager views the brand identity as something that is larger than and not as proactive as the brand position; it is more a state of mind, he comments. The brand identity is shaped by the four core values as well as the attributes with which SEB wants to be associated. He describes SEB as a pronounced premium brand with a very strong position.

There are both benefits and drawbacks with our position, but naturally we believe that the benefits outweigh the drawbacks. Our premium brand is associated with a corporate bank, a professional bank and a competent bank. We also have a heritage—around Wallenberg. Our position as a professional corporate bank is very strong, which we also protect. Among our corporate customers, our heritage and connection to the Wallenberg family gives us credibility. The problem is that SEB has a narrow position on the consumer market. We are associated with few attributes among consumers, and there may also be negative associations connected to our position such as cold, masculine, and difficult to access (the marketing manager, SEB).

According to the marketing manager, SEB wants to remove the negative associations by adding emotional associations. He says that SEB's whole communication platform builds on the idea that it should keep its current position as a professional and competent bank, but by adding emotional associations. The marketing manager gives an example using SEB's competitor Nordea, which builds its message on customers' dreams but it does not tell the customer what it offers in that situation. He says that SEB wants to show that they are tuned in to what the customer or company wants, but that they also tell how they can contribute in that situation. He says that they aim to communicate with a "twinkle in the eye," but still be crystal clear about their delivery and what SEB stands for. By being consistent, he believes that SEB will be able to add emotional attributes to its corporate brand; banks are generally poor in using emotional attributes, which gives SEB a window of opportunity. To summarize, SEB has a core identity in its core values: commitment, continuity, mutual respect, and professionalism. To these, SEB is adding emotional values as well as sometimes using local attributes. According to internal documents, SEB's brand personality is a premium brand—exclusive, masculine, leading, and self-confident.

Brand Position

According to the marketing manager, SEB seldom uses the term *brand position*, instead discussing the *brand promise*, which functions as the communication platform. The brand promise includes three statements that, when combined, leads to the promise: "we speak to and from individuals," "we are open with our

competence,” and “we are easy to contact—whenever, wherever.” These three statements lead to the brand promise of SEB: “An individual, active and developing bank relation—at the customer’s choice of time and place.” SEB also recently added a slogan to its logo—“Financially yours”—which is a small play on words of the common expression “sincerely yours.” However, as the marketing manager claims, it also describes the balance with SEB’s contribution “financially”—which must be clear—while “yours” is SEB’s attitude toward the customer.

“We want to show that we understand your situation—that is the aim of ‘financially yours’ ” – the marketing manager, SEB

The marketing manager claims that SEB has positions that are slightly different in different markets; in international markets, SEB sometimes has to adapt to local preferences, he says. The marketing manager illustrates how SEB is currently positioned using a positional map; the y-axis is “Extrovert-Introvert,” and the x-axis is “Individualistic-Collective” (see Figure 5.2). SEB can be seen as a Mercedes car that wants to become a BMW, which is also a premium brand. SEB would like to have emotional attributes, like sporty, exciting, active, open-hearted, and extroverted. The marketing manager explains the middle of the map as a company that either has a brand that appeals to all customers (like McDonalds) or a brand that is soaked. He believes that SEB’s current position is too thin and needs to be broadened by adding more attributes/associations to the SEB brand, which would—for instance—result in its Estonian bank finding it easier to be part of the SEB family. An example of an association SEB is currently adding is the modern bank, which is close to another desired attribute—namely, active. SEB wants to be seen as a bank that promotes development. For example, SEB has tried to keep its banks fresh, using its green identity color to promote a modern impression the marketing manager claims. Figure 5.2 shows the brand’s core; and SEB would like to move toward the same position as BMW and, as mentioned earlier, he also stresses the need to broaden SEB’s position by using emotional attributes.

SEB’s future brand position is explained in Figure 5.3. As the marketing manager claims, SEB wants to broaden its position while maintaining its foundation, which can be described as a business bank, modern, competent, trustworthy, and a premium brand (SEB, 2006). SEB also wants to move toward being more extroverted, strengthening its attributes connected to being open and vital, proactive and lively, joyful, and exciting while establishing close relations. At the same time, SEB wants to avoid being associated with being formal, closed, cold, and masculine.

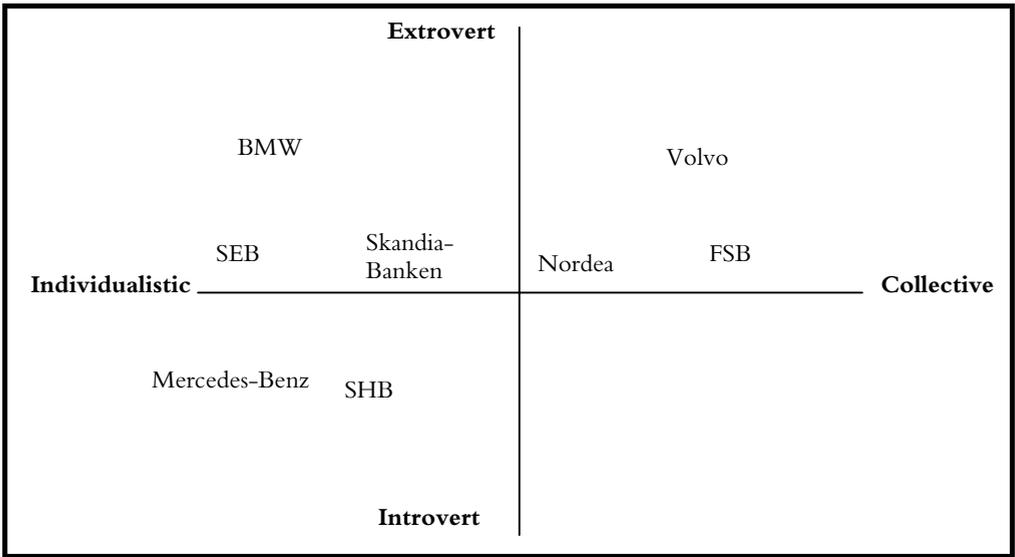


Figure 5.2: SEB's Position on a Positional Map
Source: SEB, 2006

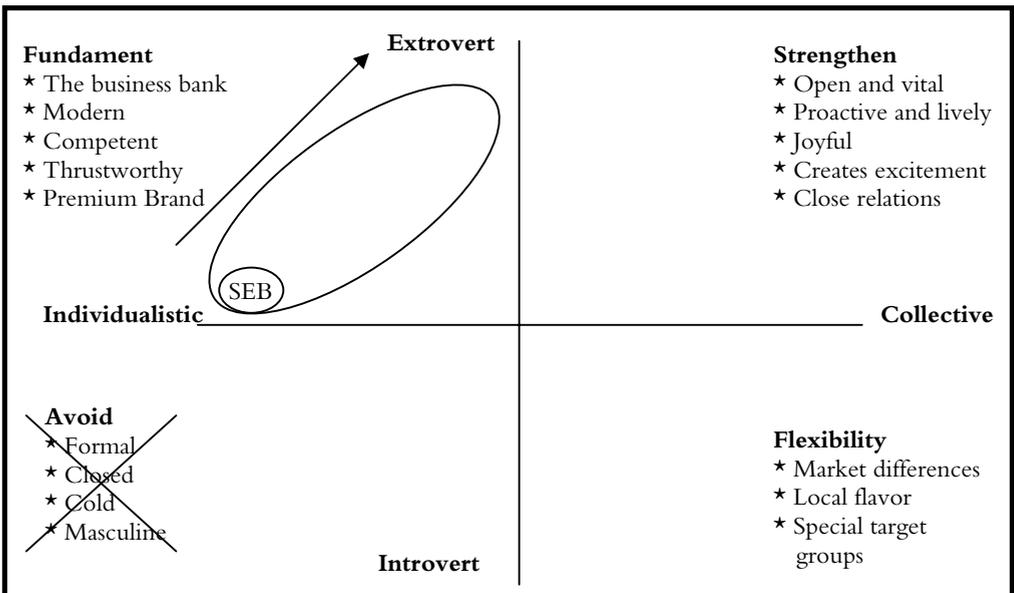


Figure 5.3: SEB's Brand Position in the Future
Source: SEB, 2006

Four reasons are behind this desired position (SEB, 2006):

- broadening the base (strengthens SEB's ability to grow into new segments and markets and to become more relevant to existing and new customers);

- becoming more proactive (SEB should be seen as an open, dynamic, fast-moving, and available bank);
- adding emotional attributes (strengthens relationships by being more insightful, empathetic, and close to customers' life and business); and
- creates a stronger connection between the brand and future business—large customers demand a combination of rational competence (individualistic) and SEB's ability to listen, understand, and provide solutions for individual needs (extrovert)

5.3.4 Brand Team

The marketing manager claims that the group responsible for the internal corporate brand building process is a new group within SEB, called group communications. SEB previously had a Swedish focus, with a central marketing department that handled both planning and production; SEB then chose to decentralize all marketing to the divisions, creating the current communication group (a staff function) responsible for building and protecting the corporate brand. Four years ago, when the marketing manager also started working at SEB, the communication group started with a blank sheet. The group is responsible for planning and establishing the brand framework, but it is not operative. According to the marketing manager, it is important to clarify what guidelines everyone must follow. The structure for building the brand has become much more important. Today it is not just Swedes who are affected by SEB's corporate brand model, but also Germans and Balts.

The communication group, which consists of less than ten people, combines marketing, investor relations and internal communication. Ultimately, the head of the communication group is responsible for the corporate brand. A brand manager focuses on the communication platform—the message—while another individual is responsible for the visual aspects—colors and shape. These two areas (message and color/shape) are the two strong cornerstones in the corporate brand communication according to the marketing manager. Another person measures and follows up everything that has to do with the brand. Furthermore, one function works with events, sponsorships, and seminars. The brand message (handled by the brand manager) also includes strategy, positioning, and brand architecture. One consultant, who has worked for SEB for a long time, is helping the communication group with the strategy. The marketing manager claims that the group tries not to depend on consultants, as it is important for group members to own the strategy. The brand strategy is communicated downward to all divisional marketing managers in a group marketing committee. SEB also uses an intranet, which contains a brand manual, to ensure that everyone follows the strategy.

SEB uses a business planning process, meaning that the communication group receives information on a number of occasions each year. The business plan and vision are reviewed before the next brand strategy can be written. If major changes in the business plan have occurred, the brand strategy must be adjusted accordingly. The brand strategy has a three-year horizon.

According to the marketing manager, SEB's CEO is interested in the corporate brand, and management—to a high degree—is influencing the brand strategy. He says that the communication group has frequent contact with management about the brand strategy concerning either specific, debated questions or the presentation of the whole brand strategy. For instance, members discuss what needs to be done and how the SEB brand position relates to competitors. Management controls the brand strategy to some extent but tries not to go into details. He says that the importance of the brand is cyclic and that marketing generally has a low status within the financial industry. Today, however, the brand has appeared on the bank's agenda, and the brand is seen as a valuable strategic asset.

5.3.5 Summary of the Internal Corporate Brand Building Process

Figure 5.4 provides a simplified structure of the internal corporate brand building process and the main groups involved in building the brand. The process starts with a brand audit in which the internal factors—vision, business strategy, core values, and cost efficiency—are considered. The internal factors are decided by the management and are important elements of the brand strategy according to the marketing manager. The external factors—customers and competitors—are also part of the brand audit, which provides the necessary inputs for creating a brand strategy, step two. The strategy, for instance, describes the customer promise, the current brand position, and the desired brand position. The main goal for the brand strategy is currently to create a global brand: “One SEB”. The marketing manager describes the third step of the internal corporate brand building process as the brand platform—i.e., the tools used for building the brand. The brand manual secures the graphical aspect of the SEB brand. The communication platform secures the message—how SEB communicates and why. SEB has both a short- and long-term brand plan that coordinates and ensures that communication becomes as effective as possible according to the marketing manager. It is also important to protect the brand legally, for instance with regard to domain rights on the Internet. Brand structure is important, as sometimes the corporate brand may be adapted to local markets. He also mentions measurement and reporting as important in order to know that SEB is moving in the right direction. Last but not least, marketing tools are being used. A bank manager in Växjö, for instance, needs to know what practical tools he or she can use in order to create a coherent corporate brand the marketing manager claims.

The groups involved in building the brand include management of the SEB group, which decides the business strategy, vision, and core values, or fundamental elements for the brand strategy. Management also approves the brand strategy developed by the communication group. One consultant is helping the communication group with the strategy, which is communicated downward through a group marketing committee, in which the communication group meets the divisional marketing managers. In addition to communicating to marketing managers, the communication group also uses SEB’s intranet to guide employees in how the corporate brand should be communicated.

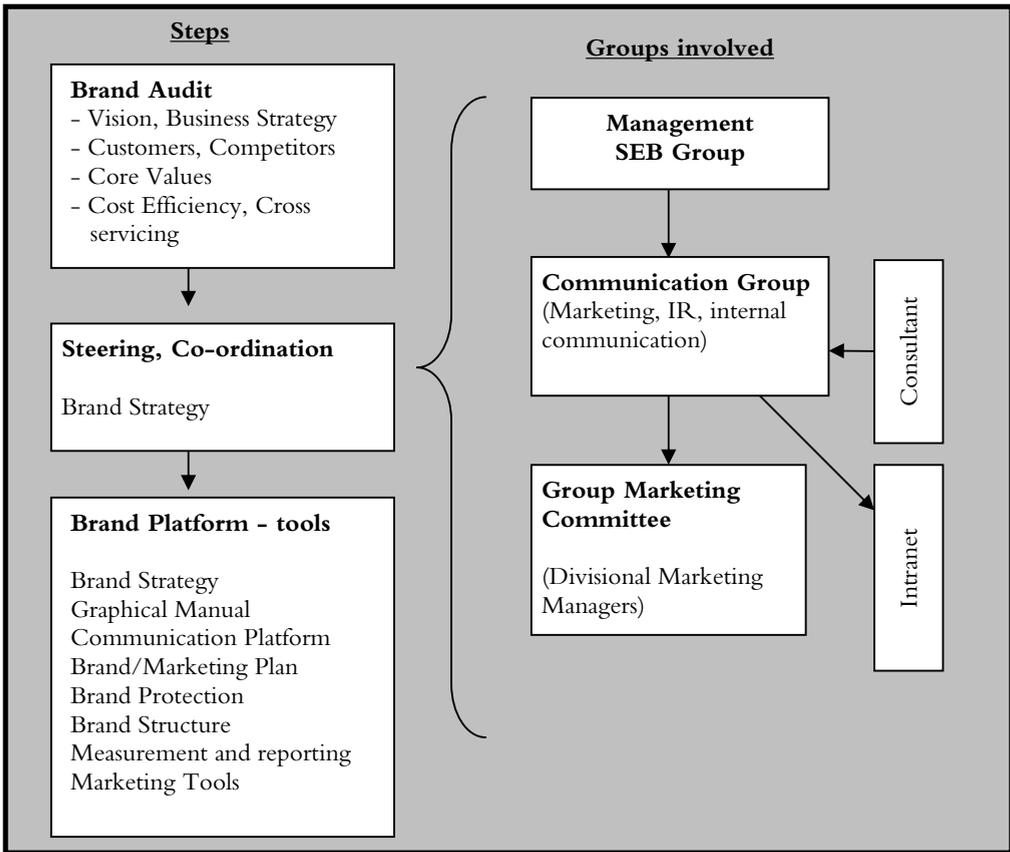


Figure 5.4: The Internal Corporate Brand Building Process at SEB (based on interview with SEB’s marketing manager and the internal document “Current situation & road map, SEB’s Market Communication, Q1-2006”)

5.4 Case Study Three: Svensk Fastighetsförmedling

As the previous case, Svensk Fastighetsförmedling is first presented by general information about the company and the corporate brand. This is followed by the evidence of Svensk Fastighetsförmedling's internal corporate brand building process and the brand team involved in the process.

5.4.1 *Company Information*

Svensk Fastighetsförmedling is Sweden's largest chain of estate agents with 202 agencies all over Sweden. The marketing director, Erik Wikander, describes Svensk Fastighetsförmedling as a cost effective organisation, coordinated by a head office, in a voluntary chain of estate agents, who together own the company. He describes that their main customer group is private customers, who stands for 90% of sales. Private customers are further divided into houses, apartments and leisure houses. They also mediate commercial estates and farm properties. Svensk Fastighetsförmedling's main competitor is Förenings sparbanken (now called Swedbank), and together they have about half the market. They both decided to join Sweden's broker association a few years ago, with the intention to influence the legislation that regulates the industry. The marketing director says that the current legislation is out of date and needs to be more distinct in order to discourage unprofessional brokers. The company has had two large expansions, one in the 1970's and one in the 1990's. According to the marketing director, Svensk Fastighetsförmedling has in-house production, for instance project management, graphical design and advertising. The strategic communication through national media is handled from the head office. Direct marketing and events can either be handled centrally or locally.

5.4.2 *The Corporate Brand*

Svensk Fastighetsförmedling is currently using a single brand strategy. The brand has existed for 70 years; therefore, significant resources have been invested in the brand according to Erik Wikander, the company's marketing director. The brand has a very high awareness in Sweden, but he believes that the brand image needs to be updated. Svensk Fastighetsförmedling says that many associated the brand with the 1970s, which led the company to initiate a major brand building and repositioning process. The marketing director was recruited as one of the individuals to lead that process. Svensk Fastighetsförmedling has a new logotype with two blue stripes and a yellow stripe in the middle, which is associated with the Swedish national flag. The previous logo included a red house and a flagpole and reminded customers more of the 1970s according to the marketing director, who claims that the most important asset of Svensk Fastighetsförmedling is its brand. Svensk Fastighetsförmedling also has a new slogan: "From one situation to

another.” The agencies have to follow a manual on how to use the graphical profile, which is only one part of the brand. “It is also very important to change and harmonize the way staff behaves towards customers...We were seen as Thore Skogman²³, but we rather want to be seen as Anja Pärson²⁴” (the marketing director, Svensk Fastighetsförmedling).

5.4.3 The Internal Corporate Brand Building Process

The brand building process is part of a broader strategic work at Svensk Fastighetsförmedling. The current CEO started two and a half years ago with a mission to create something new and develop the corporate brand. As a result, a number of individuals were recruited—all without experience in the real estate business. The marketing director believes that it is good to bring people with fresh eyes and competence from other areas into the industry; brokers tend to have very short outlooks since they focus on each deal.

Before Svensk Fastighetsförmedling started the internal corporate brand building process, it reviewed the current situation and considered how things could be done differently, the marketing manager claims. The management team members also asked where they wanted the company to be in three to five years. The brand building process was part of the overall strategic change that started in the autumn of 2004. A new strategic platform was developed.

Brand Audit: Starting with a strategic platform

The new strategic platform is the base on which the corporate brand can be built and contains, for example, a new vision, mission, and core values. An internal factor to consider is the new vision for Svensk Fastighetsförmedling: “We shall be the obvious choice for people’s housing questions in all life situations” (internal brand manual, n.d). The vision can be seen as the compass that gives direction for all agencies in the chain (ibid). The company’s mission states:

Svensk Fastighetsförmedling offers the most attractive and locally adapted broker service for the customer, based on needs that arise from differences in the customers’ life situation. Our chain consists of independent, cooperative experts of the local living area. We are driven by fresh ideas, commitment, thoughtfulness and professionalism. (internal brand manual, n.d, p. 8)

The mission can be seen as the map telling employees what to do, how to do it, and to whom (ibid). Culture is also important for the corporate brand, and cultural

²³ A Swedish singer, song-writer, and actor born in 1931 who was most active during the 1960s (Wikipedia, 2006).

²⁴ A Swedish alpine skier born in 1981 who enjoyed victories at the Olympics, World Championships, and World Cup (Wikipedia, 2006).

values are summarized by the last sentence in the mission above. As the marketing director comments, “We may spend millions on communicating the brand, but if that message does not correspond to how employees communicate to the customer, we are wasting our money” (the marketing director, Svensk Fastighetsförmedling).

The important external factors in the brand audit are the customers and competitors. The marketing director claims that “if we have 20 percent of the market, this means that 80 percent [is] choosing something else; we want them to choose us”. Svensk Fastighetsförmedling needs to explain to its customers why they should choose the company, and it is important for Svensk Fastighetsförmedling to attract new customers. He adds: “If we only would focus on current customers, we would continuously lose customers as the current ones pass away”. Other external factors that Svensk Fastighetsförmedling considers are the current business cycle and the interest rate; current legislation is also an issue. The marketing director says that people may think the European Union has a harmonized real estate market, but that is not the case. Brokers in Denmark, for instance, can earn half their money from additional services beyond selling a house, while in Sweden they are not allowed to charge for additional services.

According to the marketing director, society is in constant change, which affects the brand building process. “Our audience is, for instance, in constant change, which means that we must always review the messages we send”. The current business cycle is also a factor that always affects the brand building process. According to the marketing director, the most important changes for Svensk Fastighetsförmedling are those that have to do with how people live. He mentions one change in particular: housing has become more differentiated today, with more separated target markets.

Svensk Fastighetsförmedling collects information from several sources, trying to personally collect information, attend seminars, and compare information with other countries. According to the marketing director, the company works together with the consultant firm Prime, which helps with environmental scanning. The Internet is also a useful tool for collecting data, and Svensk Fastighetsförmedling has a large number of visitors to its website, he adds. Twice a year, the company conducts an online survey with visitors to its homepage, asking questions mainly about behavioral issues—i.e., soft facts.

Brand Identity: The brand's platform

A base for Svensk Fastighetsförmedling is that it is associated with being Swedish, folksy, stable, and safe, which—although important for Svensk Fastighetsförmedling—needed to be upgraded. “We are using a simple identity

symbol that is still associated with our base through the flag, but it is also modern” (the marketing director, Svensk Fastighetsförmedling). The identity color for Svensk Fastighetsförmedling is yellow.

According to the marketing director, the brand platform builds on the following brand values: “we should be a fresh thinking, committed and personal simplifier that works with heart and a twinkle in the eye” This statement is also confirmed in their brand manual. The brand values are personified by the fact that the company wants to be seen as Anja Pärson—a personal simplifier who always tries to facilitate the situation for the customer; this is an internal guidance as the company has no intention to sponsor Anja Pärson. It should be easy for the customer to make decisions. The marketing director compares their journey with Volvo’s move from being a safe, Swedish brand to something more modern. He says that the company has not differentiated between emotional and functional values in its brand. “It is very important that we have a platform that is as simple as possible”. He believes that failing to communicate the brand internally will result in failing to communicate it to customers. The cultural values for Svensk Fastighetsförmedling—fresh ideas, commitment, thoughtful, and professional—are also part of the identity since it guides the behavior of employees. Table 5.3 shows examples of how these values are translated internally, toward both colleagues and the customer.

Cultural Value	Internal Translation	
	<i>Toward Colleagues</i>	<i>Toward Customers</i>
Fresh ideas (i.e., nytänkande)	“We work towards a flexible organization that builds on shared values and a strong and well-kept brand”	“We see the customers’ living situation from a broader perspective, where we start from his or hers life situation”
Committed	“We are open and learn from others, while we also share our own experiences”	“We are proactive in our customer contacts and actively follow up completed transactions”
Thoughtful	“We work in a tolerant climate where mistakes are allowed”	“We take time to listen to the customer and always start from his or hers real needs”
Professional	“We realize that our most important asset is the brand and we act accordingly”	“We offer the customer value for money with an ambition that the customer will perceive our service as an investment”

Table 5.3: Internal Translation of Cultural Values at Svensk Fastighetsförmedling
Source: Internal Brand Manual, Svensk Fastighetsförmedling, n.d, p. 12-19.

The marketing director explains that the company's cultural values (i.e., core values) are different from the brand values; however, the brand values build on the core values—the value base is the same. What differs is how they are communicated; the brand values are supposed to be more communicative.

The personality for Svensk Fastighetsförmedling is someone with heart who works with a twinkle in his eye—someone that is warm, which is very important according to the marketing director:

We saw that brokers traditionally have worked with rational arguments around their offer and their brand. We also found that the largest influencer in changing a living situation is women. Then we realized that rational arguments are probably not the most efficient approach.

Svensk Fastighetsförmedling is therefore currently moving from being rational to becoming emotional. The marketing director further comments that, when the main competitor recently re-launched its brand, it used a similar approach.

Brand position

The marketing director explains the positioning as something that is decided before the brand platform—i.e., to see where the position for Svensk Fastighetsförmedling should be. “The task of the brand is then to help us reach our desired position” he claims. The goal for the brand position differed during the years Svensk Fastighetsförmedling was being repositioned. The first year with the new profile, the company had to communicate three things: a new logotype, an identity color, and the slogan—“from one situation to another.” “The slogan reflects our customers, reflects life, and reflects our vision”, the marketing manager says. The vision for Svensk Fastighetsförmedling is to “be the obvious choice for people’s housing questions in all life situations” (internal brand manual, p. 6). What Svensk Fastighetsförmedling wants to achieve is to be part of a changing life situation—“from one situation to another.” “Perhaps our customer is a newly formed family that wants to move from an apartment to a bigger house”, the marketing director exemplifies. Currently, Svensk Fastighetsförmedling is building on the previous position, but it also wants to communicate more from the perspective of how customers benefit from the services offered by Svensk Fastighetsförmedling, according to the marketing director. The message will reflect the safety for the customers in having Svensk Fastighetsförmedling by their side from one situation from another. The company wants to communicate to customers how important it is to prepare and avoid rushing through the most important decision of their live, he adds.

Svensk Fastighetsförmedling does not have different positions for different segments. As the marketing director claims: “since our vision is to be the obvious

choice for people's housing questions in all life situations, it is important that we are broad. Svensk Fastighetsförmedling focuses on several target groups: "moving together," "children," and "breaking up for something better." The company does not want to limit itself to a specific age group, but it mainly communicates to people who are 30 to 45 years old since this group is more receptive. In addition, during that age, customers create a lot of preferences according to the marketing director. Svensk Fastighetsförmedling also wants to create awareness among younger people who are moving away from home. When brokers meet him, "they often comment that their customer could be anyone—why should they bother with segments?" He then comments that,

Yes, it can be anyone, but you cannot communicate to anyone and you definitively cannot communicate to anyone in the same way. How can we for instance communicate to Kalle who is 19 years and moving from home, on his terms, if we do not know about his preferences or behavior? (the marketing director, Svensk Fastighetsförmedling).

The marketing director further comments that Svensk Fastighetsförmedling is using a new approach that involves attracting the buyer. The industry has previously only focused on the seller, but buyers often sell through the company from which they bought, making buyers important as well.

One message that has been important internally is according to the marketing director that "we should be different from others, not from each other". He explains the statement by saying that prior to changing its graphical profile, the company was spread over 360 degrees; after implementing the new profile, it spread over only 180 degrees. During the coming years the company should further consolidate the brand, meaning that Svensk Fastighetsförmedling would spread out over 60 degrees at maximum. In order to harmonize graphically, the head office is helping local agencies to create their own promotional material using a web-based form. Agencies can also order pre-made material and profile products through the head office. "By using an advanced graphical manual, this helps us to better keep our brand together", he also adds.

According to the internal brand manual "Från ett läge till ett annat," Svensk Fastighetsförmedling's position is to be perceived as local and emotional, which can be translated as being personal, available, and knowledgeable about local conditions. When communicating to the customer, he or she should feel that Svensk Fastighetsförmedling is a modern company that meets people's needs in all life situations. Two things are important in order to achieve this position: to say the same thing every time and to say it using a common expression. The slogan "from one situation to another" coordinates the communication besides the logo. The keyword is *situation*, which can be used in numerous and creative ways. The goal is to communicate it frequently so that it eventually becomes associated with

Svensk Fastighetsförmedling (i.e., owned), thereby creating a strong position in the customer's mind. *Situation* also serves as a keyword that is flexible and can be used and developed for the future.

5.4.4 Brand Team

The CEO and the board are ultimately responsible for the brand building process, although the marketing director is the person most involved in working with the brand. The marketing director says that, for the brand audit, both management and individuals in the marketing department are involved. He describes that the strategic work is performed by the marketing director, the PR manager, the marketing communication manager, the CEO, and the board of directors. Svensk Fastighetsförmedling also uses a reference group of different agencies. The process is formalized insofar that everything is documented. The marketing director, who has a background as a consultant, says that the company tries to handle most work internally; it uses consultants in certain areas, but not to drive the whole brand building process. The marketing director is responsible for the brand audit.

For the brand platform and brand position, a similar group is involved; the marketing director, CEO, communication manager, and PR manager are involved in the entire process. New individuals have also been added during the process, which is very positive since they bring new competence to the process; however, it is important that they always start from the company's underlying value base, the marketing director claims. He comments that the brand building process is not static, but is constantly changing and the company sometimes needs to make corrections in order to stay on course for what it sees as Svensk Fastighetsförmedling in 2008-2010. The group has a rather homogenous view of what the brand stands for; the challenge is to translate that into the daily behavior of employees, he says.

When asked about the major challenge in building a corporate brand, the marketing director claims that what is most difficult is the internal implementation. "To get people to live according to the brand, they must understand that what they say and do—that is the brand" (the marketing director, Svensk Fastighetsförmedling). Svensk Fastighetsförmedling employs 900 people (about 350 new employees have been recruited during the last two years), and all of them are brand ambassadors. However, he believes it is easier to influence new employees since they have fewer prejudices. "Someone that has worked in the organization for a long time may be more resistant to change and have comments like 'we used to do like this and it worked well'" (the marketing director, Svensk Fastighetsförmedling).

5.4.4 Summary of the Internal Corporate Brand Building Process

The internal corporate brand building process at Svensk Fastighetsförmedling has been conducted as part of an overall strategic change. The marketing director describes that the first step was to establish a new *strategic platform*, with a new vision, mission, and core values. The strategic platform also resulted in that management decided the company position—i.e., how the company should be differentiated from competitors. “The corporate brand is used to take us to the desired position”, he says. According to the internal brand manual “Från ett läge till ett annat,” the company wants to move from a position of being rational and impersonal to emotional and local. The customer must feel that Svensk Fastighetsförmedling is a modern company that satisfies their needs in all life situations.

The strategic platform and the position form the base for the *brand audit*. The internal factors of the strategic platform are naturally considered—i.e., the vision, mission, cultural values, and position. Customers and competitors are two important external areas that are considered. Other relevant factors are the current legislation, the business cycle, and interest rates.

The second step of the internal brand building process is the *brand platform*. According to the marketing director, Svensk Fastighetsförmedling is associated with being Swedish, folksy, stable, and safe. He claims that although this base is important for the company, the brand needed to be repositioned to something more modern; therefore, four core values were introduced—fresh ideas, commitment, thoughtful, and professional. The core values translated into more communicative brand values, summarized as “we should be a fresh thinking, committed, and personal simplifier that works with heart and a twinkle in the eye”. The marketing director claims that core values and brand values share the same value base. Other important elements of the brand platform are the logotype and the yellow identity color.

The final step of the internal corporate brand building process is the brand’s position, referred to as the *communication concept*, which is expressed as “From one situation to another.” *Situation* is the keyword and should always be part of Svensk Fastighetsförmedling’s communication. It is a word that can be used in creative ways; the goal is to finally “own” that word in the minds of the customers (internal brand manual). The internal corporate brand building process is presented in Figure 5.5, which also described the individuals involved in the process by dividing them into a primary group, secondary group, and reference group.

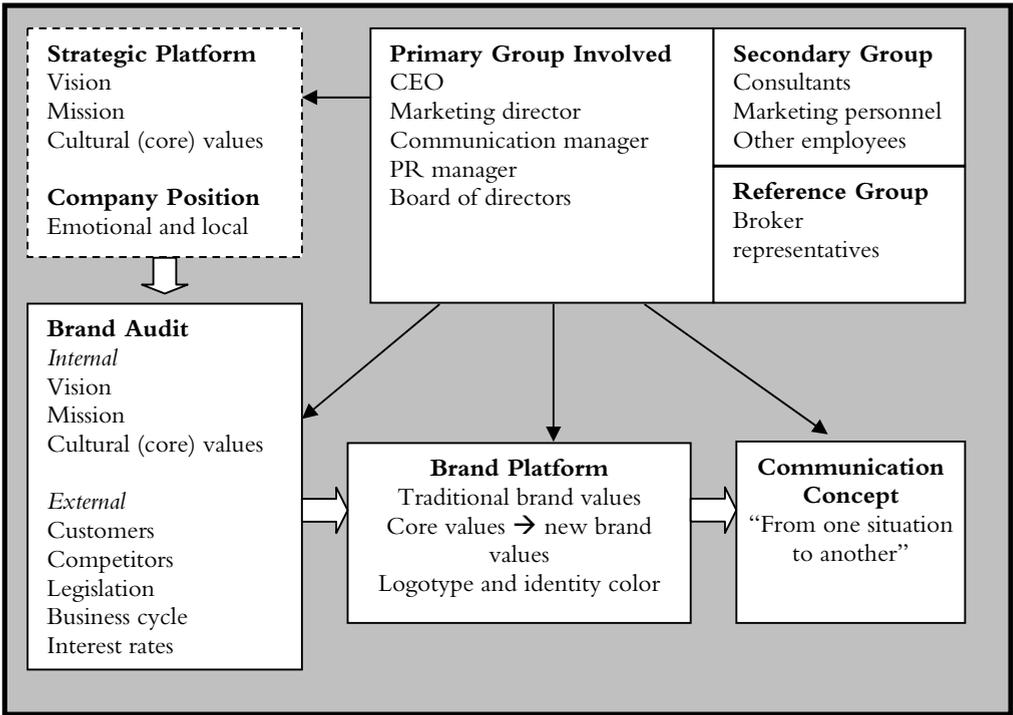


Figure 5.5: The Internal Corporate Brand Building Process and Brand Team at Svensk Fastighetsförmedling

6. Analysis

6.1 Introduction

This chapter will provide an analysis of the three cases presented in the previous chapter, Skandia, SEB, and Svensk Fastighetsförmedling. The conceptualization and conceptual framework presented in Chapter 3 will guide this analysis. First, the three cases will be analyzed separately through within-case analyses. Then all three cases will be analyzed against each other through a cross-case analysis. The analysis is structured according to the research questions and the research problem, as presented below:

- * The internal corporate brand building process (RQ 1)
 - Brand audit
 - Brand identity or brand platform
 - Brand position
- * The brand team (RQ 2)
- * The major components of internal corporate brand building in [case] (RP)

The aim of the analysis is—besides answering the research problem and research questions—to apply the underlying theoretical propositions to the collected data. Differences and similarities between theory and data will be analyzed, and patterns within or across cases will also be sought. In order to improve the display of the data being analyzed, tables and figures will be frequently used.

6.2 Within-case Analysis of Skandia

6.2.1 *The Internal Corporate Brand Building Process (RQ 1)*

Skandia's brand building process was initiated in August 2004, when the new management group for the Nordic Division was formed. The motivations for initiating the process were to rebuild the Skandia brand because of the crisis and to create a stronger corporate brand ("build one Skandia"). According to the literature, brand building processes usually start with a brand audit, which was also the case in Skandia. An analysis of Skandia's brand audit is presented next.

Brand Audit

The brand audit is divided into internal and external factors that set the context for building the corporate brand. Based on the literature (e.g., Aaker, 1996; de Chernatony, 2001; Knox & Bickerton, 2003; Hatch & Schultz, 2003; Urde, 2003),

the audit includes the factors identifies in Table 6.1. As seen from the table, Skandia considered those factors most common in the literature.

Table 6.1: Analysis of the Brand Audit in Skandia

Internal factors *	Whether and how the Internal Factors are Considered by Skandia
Company Vision and Mission (Knox & Bickerton, 2003; Urde, 2003; Hatch & Schultz, 2003; Aaker, 1996)	The vision and mission were examined by Skandia; these factors must correspond to the corporate brand.
Organisational Culture (Aaker, 1996; de Chernatony, 2001; Knox & Bickerton, 2003; Urde, 2003)	How do Skandia’s employees perceive the Skandia brand? How does Skandia’s management perceive the Skandia brand?
Brand Architecture (e.g., Urde, 2003)	Skandia had a desire to consolidate—to create “one Skandia.” Skandia needed to decide what to do with its sub-brands, Skandiabanken and Skandia Liv.
Values	Potential organizational values were considered in the brand audit—such as, competitiveness which was later changed to engaged. This factor overlaps with organizational culture.
External factors *	Whether and how the External Factors are Considered by Skandia
Customers (Aaker, 1996; de Chernatony, 2001; Knox & Bickerton, 2003; Urde, 2003; Ries & Trout, 2001)	Examine how customers perceive Skandia. If customers associate Skandia with something relevant, emphasize relevant associations and reconsider irrelevant associations. Customers’ buying behavior of financial services important.
Competitors (Aaker, 1996; de Chernatony, 2001; Knox & Bickerton, 2003; Ries & Trout, 2001)	Skandia’s main competitors, such as AMF Pension. Competitors’ strengths and weaknesses.
General Public	Due to the scandal, Skandia needed to change the public’s view of Skandia—i.e., so that they think of Skandia as a “good” company.
Other Macro Variables	A new ITP-agreement for white-collar workers. Legislation.

* = The gray shadow shows when factors are part of the conceptual framework and white colors show factors identified by Skandia

In accordance with the conceptual framework, a brand audit was conducted. However, this audit was part of a broader strategic review, in which *vision* and *mission* was a natural part to consider. *Organizational culture* was also used, since in accordance with Bassi (1997), the current perception of employees was part of the brand audit. The respondent also discussed *values* as an important internal factor in the brand audit. This is a factor that overlaps with the culture, since one of the organizational values was later used for the corporate brand (i.e., engaged).

A major internal factor was *brand architecture*, about which Skandia—almost two years after the process had started—still had not come to a decision. Brand architecture refers to how a company organizes its brands (Urde, 2003); Skandia was considering abandoning its two strong sub-brands in favor of concentrating on Skandia as a single master brand. The move towards a stronger corporate brand is consistent with the corporate brand literature (e.g., Balmer and Gray, 2003).

Customers were emphasized as an important external factor, and this corresponds to the conceptual framework (Aaker, 1996; de Chernatony, 2001; Knox & Bickerton, 2003; Urde, 2003; Ries & Trout, 2001). For instance, the changing buying behavior of financial services was seen an important factor in the brand audit. This was a major motivation for consolidating Skandia, since customers today are not restricted to one channel, such as the Internet. Therefore, different channels should not be different brands according to the respondent. *Competitors* were also considered, and Skandia realized that it was losing customers not because of the scandal, but because customers wanted to see more from Skandia. As suggested by Aaker (1996), strengths and weaknesses of competitors should be considered in the brand audit. This corresponds to Skandia, who mentioned AMF as a strong competitor since it were good at communicating their offer. However, the respondent claimed that Skandia is much more knowledgeable about pensions than AMF is, Skandia just needs to become better at communicating this.

Other external factors not considered in the conceptualization were also discussed by Skandia. The *general public* was an important target audience since Skandia wanted to improve the general picture held by the public. Because of the scandal, Skandia was seen as a dishonest and greedy company; Skandia instead wanted to be seen as a good company—e.g., a customer's neighbor should also think of Skandia as something positive. Finally, *other macro variables* were considered, such as a new ITP-agreement that will change the way 700,000 white-collar workers in Sweden's private sector manage their supplementary pensions. This will open up the possibility to create closer relationships with the customer.

Brand Identity

The core nature of the brand—i.e., what the brand stands for—is identified as the central step of the brand building process (Aaker, 1996; de Chernatony, 2001; Knox & Bickerton, 2003; Urde, 2003). Based on Aaker (1996) the brand identity is divided into a *core* and *extended identity*. While Skandia did not use an extended identity, the core identity (i.e., the fundamental values of the corporate brand, Aaker, 1996) consisted of the values innovative, competent and engaged. Innovation and competence are values that traditionally have been strong for Skandia. A new value—engagement—was identified during the current brand building process, which, according to the respondent, will make Skandia more competitive. The values in the core identity can all be sorted under the *organization* perspective. This is consistent with the literature, since this group of associations was expected to be important for the corporate brand (Aaker, 2001). One explanation is that the corporate brand represent the organization and also, for service brands in particular, employees are important brand ambassadors; values connected to the employees in the organization are therefore expected to be significant (de Chernatony & Segal-Horn, 2003). There was no clear evidence of *product-*, *personality-*, or *symbol-related associations* (Aaker, 1996). However, Skandia considered using the product-related values currently associated with Skandiabanken (a sub-brand): simplicity, availability and a new way to offer financial services. In accordance with Aaker (1996), this would strengthen Skandia's brand identity since it is now only based on one perspective (organization). Skandia believes that it is important to add these values since customers are becoming more aware of that they need to be active in how they should save for their pensions and many customers like to handle this in an online environment. Personality was found to be difficult for Skandia to work with during the crisis, but it was aware of the importance of having a clear personality. After Skandia has recovered from the crisis they will again start working with their brand personality. The blue identity color in Skandia's brand symbol could have influenced how Skandia's personality was perceived before the crisis—i.e., as someone belonging to the political right wing.

Aaker (1996) also suggest communicating the functional and emotional benefits of the brand. Skandia's functional benefits include providing the customer with good returns on savings, although very high returns can never be guaranteed. Skandia also offers good service, improves the customer's financial situation, and comes up with intelligent solutions. The emotional benefits offered by Skandia's corporate brand are that the customer should feel smarter when doing business with Skandia. Customers should also be served by engaged employees.

A different terminology was used by Skandia, which referred to the brand identity by the term brand platform. To summarize, Skandia's brand identity can be applied

to Aaker’s (1996) framework, although more dimensions could be included to further strengthen the brand. The analysis of SEB’s brand identity is summarized in Table 6.2.

Table 6.2: Skandia’s Brand Identity

Brand Identity Elements Based on Aaker (1996)	Skandia’s Brand Identity
Core Identity	<ul style="list-style-type: none"> * Innovative * Competent * Engaged—a recent value employed by Skandia <p>Potential additional values (currently held by Skandiabanken):</p> <ul style="list-style-type: none"> * Simplicity * Availability * A new way to offer financial services
Extended Identity	Not used by Skandia
Product-related associations	No clear evidence
Personality-related associations	Skandia found it difficult to work with the brand personality during the crisis. Previously, customers perceived Skandia’s personality as conservative, masculine, and belonging to the political right wing.
Organization-related associations	Skandia’s core identity is based on three organizational-related associations: innovation, competence, and engagement.
Associations related to Skandia’s symbol (logotype)	No clear associations. However, Skandia was seen as a company belonging to the political right wing, which could be enhanced by its blue identity color (applies to Sweden).
Functional benefits	Customers should get good returns on savings. Skandia should offer good service, improve customer’s financial situation, and offer intelligent solutions.
Emotional benefits	Customers should feel smarter when doing business with Skandia. Customers should be met by engaged and interested employees.

Brand Position

The brand position was described by Aaker (1996) as a part of the brand identity that is to be actively communicated. The brand position can be expressed in one or several statements. According to the marketing manager at Skandia, the brand position is expressed through its brand promise, which consists of the following statements: “the most engaged partner,” “improved economy,” and “safety through all phases of life.” The promise has a clear connection to the values in the core identity, which is consistent with Aaker (1996). The literature suggests that the position is communicated both internally and externally. According to the marketing manager, the statements are translated internally as “what does it really mean to be the most engaged partner?”. She realizes, in accordance with theory, that the internal position must be understood by their employees, since they will communicate the position when meeting customers and therefore might need a more detailed explanation of the brand position.

One difficult area for Skandia is deciding whether it should have multiple positions, which was suggested by Keller (2003). Currently, the Skandia brand has a broad position and is thus able to deliver its promise to all customer groups. As mentioned earlier, to further strengthen the position for Skandia’s corporate brand, it is considering incorporating values currently held by Skandiabanken; one problem related to this is that Skandiabanken has a low-cost position while Skandia does not. The broad position by Skandia does not correspond to Ries and Trout (2001) who suggest a narrow position. However, the concise brand position statements used by Skandia are consistent with theory (ibid). Skandia’s brand identity is also supported by Aaker (1996) since it is based on the core identity and expressed in statements. In addition, the position is more carefully considered internally—i.e., what implications does a particular statement have in employees’ daily work? The brand position for Skandia is summarized in Table 6.3.

Table 6.3: Skandia’s Brand Position

Skandia’s Brand Position	
Brand Position Statements	“ The most engaged partner” “ Improved economy” “ Safety through all phases of life”

6.2.2 Brand Team (RQ 2)

According to theory, the brand team for corporate brands tends to be large and heterogeneous (Harris & de Chernatony, 2001). A brand champion may exist who is responsible for nurturing and protecting the brand (Aaker & Joachimsthaler,

1999). The CEO is supposed to be responsible for the corporate brand, while management is expected to be involved in the internal corporate brand building process (Knox & Bickerton, 2003).

In Skandia’s brand team (see Figure 6.1), the internal corporate brand building process is initiated and led by the management. The marketing manager is the individual most involved in building Skandia’s brand. The CEO and management team have the formal responsibility for the brand and are also involved in the process, but the practical responsibility is with the marketing manager.

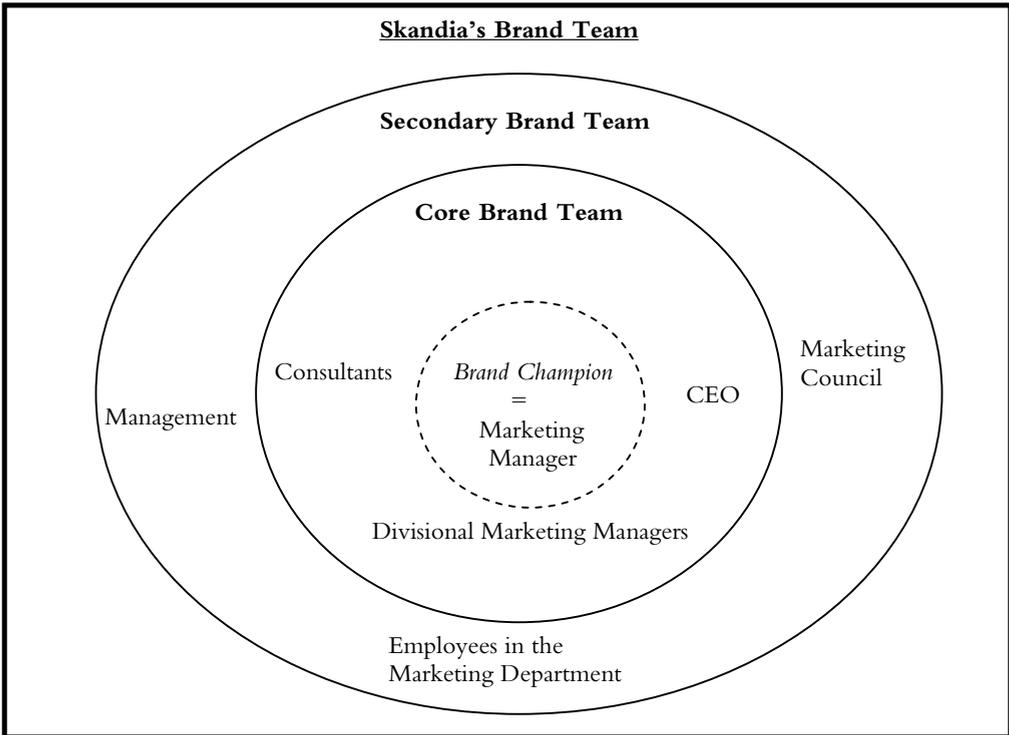


Figure 6.1: Skandia’s Brand Team

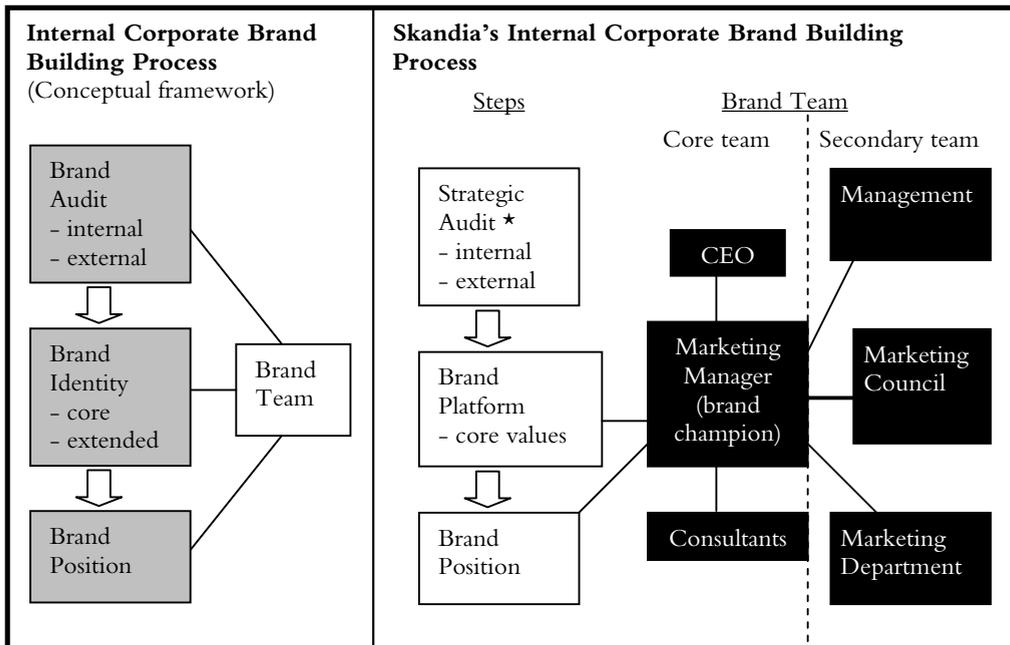
Based on Aaker & Joachimsthaler (1999), the marketing manager acts as a brand champion. This is further supported by her comments that a marketing manager has to teach the management about brand issues and drive these questions energetically within the organization. This contradicts Balmer and Gray (2003) who sees the CEO as the individual responsible for the corporate brand. The marketing manager is at the center of the brand building process and has good help from two or three consultants. Other individuals involved in building the brand besides the marketing manager include the consultants, management team, marketing council, and employees in the marketing department. The individuals

most active in the brand team are the consultants, CEO, and marketing managers at Skandia Liv and Skandiabanken (which are members of the council). The brand team can therefore be described with this core group and a secondary group that includes the management, marketing department, and the marketing council. The core group is active throughout the whole process while the secondary group mainly assists the core group in the corporate brand building process. This is different from the literature, where the distinction of a core brand team and extended brand team was not made. Furthermore, the reference group was not identified as part of a brand team in the literature.

6.2.3 The Major Components of Internal Corporate Brand Building in Skandia (RP)

The internal corporate brand building process was conceptualized as a systematic and sequential course of brand steps conducted prior to implementation. The steps used in the framework were brand audit, brand identity, and brand position. The steps used by Skandia in its internal brand building process were: strategic audit (of which the brand audit was one part), brand platform, and brand position. Skandia's process is therefore very similar to the conceptual framework. The brand audit was conducted in a manner similar to descriptions in the literature, but the actual content of the audit will obviously be unique for each company. Moreover, Skandia's brand audit was part of a broader strategic audit. The brand platform included the definition of core values, which is similar to the core identity described by Aaker (1996). As mentioned previously, the brand identity of Skandia can be further developed, which it is currently working on. For instance, Skandia lacks an extended identity and only has organizational associations to the brand. The brand position is similar to theory, but it remains more of a value proposition that Aaker (1996) described as part of the brand identity. However, the brand position is expressed in three communicative statements, which corresponds to theory.

When it comes to how the brand team is connected to the steps in the process at Skandia, the management (including the CEO and marketing manager) and consultants were involved in the first step—the brand audit. In the second and third step of the process—the brand platform and the brand position—the marketing manager led the work. Based on Aaker & Joachimsthaler (1999), this makes the marketing manager the brand champion. The marketing manager has the role of “spider in the web” and communicates mostly with the core brand team (i.e., consultants, CEO, and marketing managers for Skandia Liv and Skandiabanken), but also with the secondary brand team (the marketing council, management, and employees in the marketing department). The proposals that the marketing manager come up with must be approved by management. Skandia's internal corporate brand building process is summarized in Figure 6.2.



* = initiated by management, conducted with the help of consultants

Figure 6.2: Analysis of Skandia's Internal Corporate Brand Building Process

6.3 Within-case Analysis of SEB

As the previous case, SEB will be analyzed according to the research questions and the research problem. This means that the internal corporate brand building process is analyzed first, followed by the brand team and then the major components of internal brand building is analyzed, i.e., a summary.

6.3.1 The Internal Corporate Brand building Process (RQ 1)

SEB is a different bank compared to six years ago; today, with 20,000 employees in the SEB group, 55 percent of its income is generated outside of Sweden. This means that the biggest challenge for SEB is to handle its brand in ten markets simultaneously according to the marketing manager for the SEB group. The first step in SEB's internal corporate brand building process, consistent with the conceptual framework, is the brand audit, which is analyzed next.

Brand audit

The brand audit (Aaker, 1996; de Chernatony, 2001; Knox & Bickerton, 2003; Hatch & Schultz, 2003; Urde, 2003) is further divided into internal and external

factors that are being considered when building the corporate brand. These factors are referred to as inputs by SEB and one of the internal inputs is the *vision* and *business strategy*. This is consistent with theory (e.g., Hatch & Schultz, 2003; Urde, 2003; de Chernatony, 2001) where vision is discussed as the central idea behind the company. The corporate brand must therefore build on the vision. SEB used a business strategy which was not explicitly discussed as a factor in the literature, but it overlaps with mission and vision. According to the marketing manager, SEB's management decides the vision and business strategy, with input from group communications. SEB's vision expresses the desire to create "one SEB," which is explained by the marketing manager as SEB moving toward a stronger corporate brand. This can, for instance, be achieved through the common corporate brand framework with which SEB is working by coordinating brand activities and reducing the number of sub-brands. This is supported by the literature where the increased importance of corporate brand was highlighted (Knox & Bickerton, 2003; De Chernatony, 2001; Harris & de Chernatony, 2001; Leitch & Richardson, 2003). Also, this is connected to SEB's *brand architecture*, a factor in the audit.

Another internal factor considered in SEB's brand audit was core values, which were not explicitly used in the conceptualization of the brand audit, but it can be traced to the *organizational culture*. The successful implementation of core values means that they become synonymous with the cultural values. SEB has four core values—commitment, continuity, mutual respect, and professionalism—which are explained internally so that they are reflected in the behavior of employees. This is consistent with de Chernatony (2001) who claims that the organizational culture is a strong indicator of corporate brand values. Core values are also equal to brand values and they need to be translated before being communicated to external audiences, which is supported by Urde (2003).

The external factors market, *customers*, and *competitors* are important factors for the brand audit according to the literature (e.g., Aaker, 1996; Knox & Bickerton, 2003; de Chernatony, 2001; Ries & Trout 2001). Examples of customer demands that have been highlighted by SEB include 24/7 access, more sensitive pricing, and more internationalization. Brand values should also correspond with the values of customers, and the current brand image also needs to be considered since some associations may be added, strengthened, or weakened (Aaker, 1996). SEB's current image among private customers are associated with a professional corporate bank, with which there might be negative associations such as cold, masculine, and difficult to access. The intention is to keep SEB's strong position as a professional corporate bank but to weaken/remove the negative associations by adding more emotional associations such as open, vital, proactive, lively, and joyful. This corresponds to Aaker (1996), since based on the current brand image; some associations are strengthened while others are weakened. Competition is also analyzed in the brand audit. Aaker (1996) asserts that competing brands' position,

strengths, and weaknesses should be analyzed. SEB focuses extensively on these issues in its brand audit, such as the positional map presented on page 91. Competitors' strengths and weaknesses are also analyzed in SEB's brand audit. Furthermore, SEB had the inputs *cost efficiency* and *cross-servicing* which was not part of the conceptualization. Table 6.4 summarizes the analysis of SEB's brand audit.

Table 6.4: The Brand Audit for SEB

Internal factors*	Whether and how the Internal Factors are Considered by SEB
Company Vision and Mission (Knox & Bickerton, 2003; Urde, 2003; Hatch & Schultz, 2003; Aaker, 1996)	SEB's vision is to "be the leading North-European bank in terms of customer satisfaction and financial performance. Motivated employees and strong cooperation within the Group and 'one SEB,' are prerequisites for reaching the goals." Guides the whole process. The expression "one SEB" highlights the desire to create a strong corporate brand and is an important goal for the brand process.
Organisational Culture (Aaker, 1996; de Chernatony, 2001; Knox & Bickerton, 2003; Urde, 2003)	Not explicitly mentioned, but the four core values—commitment, continuity, mutual respect, and professionalism—should be synonymous with cultural values.
Brand Architecture (e.g., Urde, 2003)	Important, since SEB wants to further strengthen its corporate brand. SEB may reduce the number of sub-brands.
Business Strategy	Overlaps with vision but has more details. The business strategy is decided by management and guides the brand building process.
External factors*	Whether and how the External Factors are Considered by SEB
Customers (Aaker, 1996; de Chernatony, 2001; Knox & Bickerton, 2003; Urde, 2003; Ries & Trout, 2001)	Important factor in SEB's brand audit. The current and desired image of SEB's corporate brand is considered. Customer demands are also part of the brand audit. SEB wants customers to associate SEB with more emotional values.
Competitors (Aaker, 1996; de Chernatony, 2001; Knox & Bickerton, 2003; Ries & Trout, 2001)	Competitors' strengths and weaknesses and brand positions are analyzed. Positional maps are being used. One trend is that niche banks have entered the market.
Cost efficiency, cross-servicing	Seeks to improve the internal efficiency. A single brand strategy facilitates cost efficiency and cross-servicing.

★ = The gray shadow shows when factors are part of the conceptual framework and white colors show factors identified by SEB

The brand audit is summarized in a brand strategy, where the customer promise and the current and desired brand position are described. Vision is one example of a factor in the brand audit that has a significant influence on strategy—e.g., the desire to create a strong master brand for SEB. The brand strategy is the second step of the internal corporate brand building process.

Brand Platform

The third step of the brand building process is the brand platform, which consists of a number of tools that together form the framework for building and strengthening the corporate brand at SEB. The tools used in the corporate brand framework are the brand strategy, brand manual, communication platform, brand/marketing plan, brand protection, brand structure, measurement and reporting, and marketing tools, which differs with how Aaker (1996) describes brand identity. Instead, SEB uses a combination of factors of different brand building elements that can be found in the brand literature, and refer to it as the brand platform.

The communication platform describes how SEB communicates and why. Meanwhile, brand structure—i.e., brand architecture—was seen as a factor in the brand audit in the literature; since SEB has experienced such rapid expansion, such as in the Baltic countries, the brand structure has been an important issue. For example, SEB instance used a combination name for the local banks acquired in the Baltic countries; however, SEB intends to drop the local name when people have become accustomed to the SEB brand. SEB also has two strong sub-brands, Diners and Eurocard, which it intends to keep as individual brands.

The brand manual describes the graphical profile of SEB—how its logotype should be presented, which colors to use, etc. The brand plan, a tool not considered in the theoretical framework since it is a part of implementation, has a shorter outlook than the brand strategy and is broken down into more operational tasks. In addition, the tools, brand protection, measurement and reporting, and marketing tools were not considered in the conceptual framework since they are related to implementation and feedback of the brand building process (i.e., not part of the internal brand building process).

The tools in SEB's brand platform most relevant for this study are the brand strategy, brand manual, and communication platform. These factors include both brand identity and brand position when compared with the conceptual framework. The brand identity and brand position of SEB are analyzed next.

Brand Identity

The marketing manager views the brand identity as a state of mind, something that is larger than and not as proactive as the brand's position. This view is consistent with Aaker's (1996) description of brand identity. Aaker also distinguishes between the core identity and extended identity. The core identity of SEB is described by the marketing manager as a premium brand with a strong position as a corporate, professional, and competent bank. SEB's strong position among corporate customers and the connection to the Wallenberg family can be said to be part of its brand identity. SEB's core identity is also based on its four core values: commitment, continuity, mutual respect, and professionalism. Furthermore, according to the internal document "Current situation & road map, SEB's Market Communication, Q1-2006," SEB is also associated with being exclusive, masculine, leading, and self-confident.

It was important for SEB to add emotional associations to its brand in order to create a stronger position with its private customers. Currently, there are too few associations, and some associations may be negative (e.g., cold and masculine). By adding emotional values, SEB hopes to also weaken or remove the negative associations. This is consistent with Aaker (1996) who discusses emotional values as an important part of the brand identity. Banks were generally poor in using emotional associations, which gives SEB a window of opportunity. The emotional associations SEB wants to strengthen are open and vital, proactive and lively, joyful, exciting, and close relations. SEB does not differentiate between core identity and extended identity, which differs from Aaker's (1996) brand identity framework. However, the emotional associations are not equally established as the values of being a modern, competent business bank and are therefore interpreted as an extended identity. According to Aaker (1996), core identity is the central timeless essence of the brand while extended identity is something that adds flexibility, texture, and completeness to the brand. Emotional associations are, therefore, more applicable to an extended identity for SEB's corporate brand.

Aaker (1996) classifies the brand identity associations according to product, organization, person, and symbol. SEB's association of being a business bank is mostly connected to the *product* perspective. There are also *organizational* associations in SEB's brand identity in that it has a strong heritage and are seen as competent, professional, and trustworthy. Being competent and professional can also be seen as personality associations (ibid). SEB has the *personality* associations of cold, formal, and masculine (which it wants to avoid) as well as self-confident, open and vital, proactive and lively, joyful, exciting, and close relations. However, since these personality traits should also be communicated by employees, it overlaps with the organization perspective. Moreover, although associations related to the symbol perspective are not as evident, SEB's *logotype* should be seen as

modern and the green identity color should differentiate SEB from competitors. The core values (commitment, continuity, mutual respect, and professionalism) relate to the organization’s perspective since they represent values in the organization. The underlying idea of SEB’s communication platform is to keep its current associations of being a professional and competent corporate bank while adding the emotional associations mentioned above. The brand identity for SEB is summarized in Table 6.5.

Table 6.5: The Brand Identity for SEB

Brand Identity Elements Based on Aaker (1996)	SEB’s Brand Identity
Core Identity	Core values: commitment, continuity, mutual respect, and professional Also: Corporate, competent, Wallenberg heritage, exclusive, masculine, leader-type, self-confident, modern
Extended Identity	Open and vital, proactive and lively, joyful, exciting, and close relations
Product-related associations	Corporate bank, international bank
Personality-related associations	Open and vital, proactive and lively, joyful, exciting, close relations, commitment, professional, competent, masculine, leader-type, self-confident
Organization-related associations	Wallenberg heritage, commitment, competent, professional, and trustworthy
Associations related to symbol (logotype)	Modern
Functional benefits	SEB is clear about the customer offer (e.g., low interest rate)
Emotional benefits	SEB communicates with a glint in its eye—e.g., being open and vital, proactive, lively, joyful, and exciting

In accordance with Aaker (1996), SEB also wants to communicate the *functional* and *emotional benefits* of its brand. It is attuned to customers’ situations and is clear about what it can offer them (e.g., low interest = functional benefit), and wants to communicate with a twinkle in its eye (e.g., being open and vital, proactive, lively, joyful, and exciting).

Brand Position/Brand Promise

SEB’s brand position is part of the brand platform (i.e., the communication platform) and is usually referred to by SEB as its brand promise. SEB’s brand promise is divided into three statements—“we speak to and from individuals,” “we are open with our competence,” and “we are easy to contact—whenever, wherever”—which, when combined, create the promise of “an individual, active and developing bank relation—at the customer’s choice of time and place.” SEB’s brand position is consistent with how Aaker (1996) and Knox and Bickerton (2003) discuss the concept; it is formulated in a number of brand statements, is narrower than the brand identity, and is communicative. The brand promise is communicated externally, but the statements are internal (i.e., so that employees understand SEB’s brand promise). SEB’s corporate brand position can differ slightly in different markets since SEB sometimes adapts to local preferences. Multiple positions are also proposed by Keller (2003). If SEB successfully adds a number of associations (e.g., the emotional associations mentioned before), it will be—for example—easier for its Estonian bank to become part of the SEB family. For instance, SEB wants to be associated as a modern bank and has worked to keep its bank offices and ATMs fresh by using its logotype and green identity color.

In addition, SEB recently added the slogan “Financially yours,” which can be seen as a brand position statement. The slogan communicates the functional benefit of “financial”—how SEB contributes financially—while “yours” shows SEB’s attitude toward the customer. SEB wants to demonstrate that it understands customers’ situations, according to the marketing manager. It is also a play on words of the expression “Sincerely yours,” which SEB hopes will attract attention. Accordingly, Ries and Trout (2001) recommend using a brief statement or even a single word for positioning a brand since a simple message that is often repeated has a better chance of being remembered by the customer. The brand position for SEB is summarized in Table 6.6

Table 6.6: SEB’s Brand Position

SEB’s Brand Position	
Brand Position Statements	“we speak to and from individuals” “we are open with our competence” “we are easy to contact —whenever, wherever” Combined = “An individual, active and developing bank relation—at the customer’s choice of time and place” (brand promise). Internal position. “Financially yours” (slogan). External position.

In accordance with Jobber (2004), SEB also uses positional maps (figure 5.2, 5.3) to identify how its corporate brand is positioned in relation to competitors and other brands. With the help of such a map, SEB can then plan how it strategically wishes to change its position. Currently SEB wants to move from a position of being rather individualistic and slightly extroverted to becoming more extroverted and less individualistic (but still more individualistic than collective). As an analogy, SEB is seen as a Mercedes car but wants customers to perceive it as a BMW.

6.3.2 The Brand Team (RQ 2)

The team involved in the brand building process mainly consists of two groups: the management and the staff function—the communication group. Management provides broad guidelines to the communication group about what the corporate brand should stand for and what the priorities are, thereby controlling the corporate brand building process through, for example, the formal business plan that is updated on a few occasions each year. The communication group consists of individuals from marketing, IR, and internal communications who work with the strategic framework for the SEB brand and are responsible for building and protecting the brand. The communication group is not involved in the operative communication (i.e., implementation), but it meets with management regularly to discuss plans. In addition, one consultant who has been working at SEB for a long time is helping the communication group. The use of consultants is also mentioned by Harris & de Chernatony, 2001. A marketing committee with divisional managers functions as a reference group to the brand team; this was not supported by the conceptual framework.

SEB's brand team is consistent with Harris and de Chernatony's (2001), description of the corporate brand team as large and heterogeneous. In addition, Aaker and Joachimsthaler (1999) discuss the brand champion, which is an individual who is ultimately responsible for nurturing and protecting the brand and is central to the whole brand building process. There was no clear evidence of a brand champion in SEB's brand team, although there was a brand manager in the communication group. However, the relatively large influence in the brand building process from SEB's management is an argument against a brand champion in the communication group. Furthermore, although the CEO is very interested in the brand according to the marketing manager, not enough evidence exists to support that she would be a brand champion. SEB's brand team is illustrated in Figure 6.3.

The Brand Team at SEB	
<p>Management</p> <ul style="list-style-type: none"> * Controls the process * Gives broad guidelines to the communication group 	<p>Communication Group</p> <ul style="list-style-type: none"> * Staff functions as the SEB group working with the brand framework and brand strategy. * Includes members from marketing, IR and internal communication. * Consists of less than ten people.
	<p>Consultant</p>
	<p>Reference group (supports the communication group and consultant)</p>

Figure 6.3: The Brand Team at SEB

6.3.3 The Major Components of Internal Corporate Brand Building in SEB (RP)

The internal corporate brand building process was conceptualized with the steps conducted before implementation, ie., brand audit, brand identity, and brand position (Aaker, 1996; Urde, 2003; Knox & Bickerton, 2003; de Chernatony, 2001).

The internal corporate brand building process at SEB started with the brand audit. Four groups of inputs were considered: (1) vision and business strategy; (2) core values; (3) market, customers, and competitors; and (4) customer satisfaction, cost efficiency, and cross-servicing. Vision and business strategy are important internal factors for the brand audit; they are developed by the management (although the communication group provide input) and the internal corporate brand building process is conducted within the frame of the vision and business strategy. For example, SEB’s vision includes the desire to create “one SEB,”—in other words, to further strengthen and consolidate the SEB corporate brand. Other internal factors are core values as well as cost efficiency and cross-servicing. External factors considered in the brand audit included customer, customer satisfaction, and competitors. Although not being explicitly stated, the audit also considers the organizational culture.

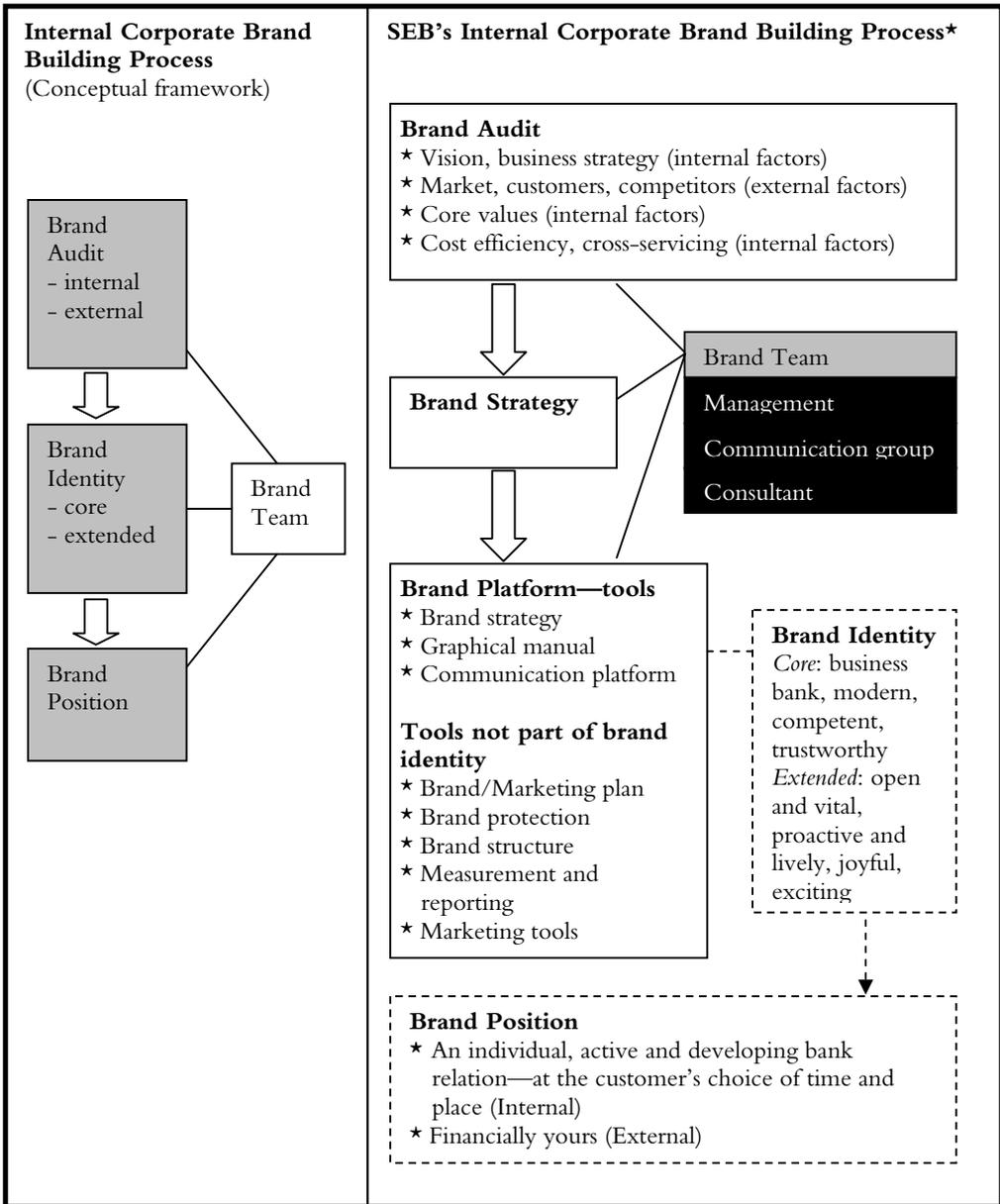
The brand audit is summarized in a brand strategy, the second step of the process, where the customer promise and the current and desired brand positions are described. This was not supported by the conceptual framework, since a brand strategy was not included and brand position came as the final step in the process. The brand strategy is also included in the third step of the process, the brand platform, which is SEB’s corporate brand framework and consists of tools for

building and protecting the corporate brand. The tools being used are the brand strategy, brand manual, communication platform, the brand/marketing plan, brand protection, brand structure, measurement and reporting, and finally marketing tools. It therefore differs from this thesis' framework, which establishes brand identity as the second step and brand position as the third step. However, SEB's brand identity and brand position can be identified in the brand strategy, brand manual (graphical profile), and communication platform steps. Although SEB's internal brand building process differs from the conceptual framework, the steps brand identity and brand position could also be applied, as described next.

The brand identity in SEB could partly be applied to the way it was conceptualized. The core identity of SEB is mainly the associations of a business bank, modern, competent, trustworthy, and a premium brand. To strengthen its corporate brand (especially toward private customers), SEB has started to include emotional (personality) associations as well, which can be described as SEB's extended identity—i.e., open and vital, proactive and lively, joyful, exciting, and close relations. SEB uses brand position statements to describe its customer promise: “An individual, active and developing bank relation—at the customer's choice of time and place.” In addition, SEB's slogan “financially yours” is intended to communicate its understanding of the customers' situation. The distinction between internal and external brand position statements is consistent with Keller (2000).

Both management and group communications (staff function) are involved in SEB's brand building process. SEB's brand team is consistent with Harris and de Chernatony (2001), since they argue that the brand team tends to be large and heterogenous. Also supported by literature is the use of consultants. However, there was no support for a reference group in the reviewed literature. Also, there was no evidence that supported a brand champion (Aaker & Joahimsthaler, 1999).

The major components of internal corporate brand building in SEB's are summarized in Figure 6.4 (next page).



* = the dotted lines means that brand identity and brand position is part of SEB's Brand Platform, but they have been broken out and analyzed separately. The position builds on the identity.

Figure 6.4: The Internal Corporate Brand Building Process at SEB

6.4 Within-case Analysis of Svensk Fastighetsförmedling

As the previous case, Svensk Fastighetsförmedling will be analyzed according to the research questions and the research problem. This means that the internal corporate brand building process is analyzed first, followed by the brand team and then the major components of internal brand building is analyzed, i.e., a summary.

6.4.1 The Internal Corporate Brand Building Process (RQ 1)

Svensk Fastighetsförmedling's process started in the autumn of 2004 with the development of a new strategic platform. The platform included a new vision, mission, and core values and thus became the base for the first step in the brand-building process, the brand audit, which is presented next.

Brand Audit

In accordance with the conceptual framework, brand audit was the first step in the internal corporate brand building process at Svensk Fastighetsförmedling. However, the step overlaps with the new strategic platform, which means that the brand audit was broader than how it was conceptualized. The brand audit should according to literature (e.g., Aaker, 1996; Knox & Bickerton, 2003) consider both internal and external factors.

Svensk Fastighetsförmedling's *vision* and *mission* were significant internal factors considered in the brand audit. As de Chernatony (2001) suggested, the specific goals for the brand are created within the scope of the company vision and mission. Svensk Fastighetsförmedling's corporate brand should help it achieve its vision—"we shall be the obvious choice for people's housing questions in all life situations." The mission is stated as:

Svensk Fastighetsförmedling offers the most attractive and locally adapted broker service for the customers, based on needs that arise from differences in the customers' life situations. Our chain consists of independent, cooperative experts of the local living area. We are driven by fresh ideas, commitment, thoughtfulness, and professionalism (Från ett läge till ett annat, internal brand manual).

The mission is more specific than the vision and helps employees and customers understand what the corporate brand stands for. As Hatch and Schultz (2003) claimed, the strategic vision connects to the corporate brand by expressing core organizational values. This corresponds to how Svensk Fastighetsförmedling defines its mission since the core values of fresh ideas, commitment, thoughtfulness, and professionalism are explicitly stated.

Organizational culture is another internal important factor described in the literature (e.g., Knox & Bickerton, 2003; Hatch & Schultz, 2003; de Chernatony,

2001). For Svensk Fastighetsförmedling, the *organizational culture* was a major issue. The biggest challenge in the whole brand building process was to get the employees to accept and deliver the brand promise. This meant that the whole culture needed to change; in other words, new beliefs, attitudes, and customs were to be adopted. Yet brokers generally have a short outlook and it is difficult to change their behaviors—especially those that have been in the business for a long time. At the same time, if the company fails to change the behavior of its employees, all efforts spent on building the brand would be a waste. The importance of employees in communicating the brand promise is also highlighted by de Chernatony and Segal-Horn (2003), who discussed the importance of organizational culture in influencing the behavior of staff.

The third internal factor that is part of the conceptual framework is the *brand architecture* which refers to how the company organizes its brands (Urde, 2003). However, this was not an issue for Svensk Fastighetsförmedling, since it is only working with its corporate brand.

With regards to external factors audit, *customers* are considered by Svensk Fastighetsförmedling. Aaker (1996) proposes that the company must understand customers' needs and the current image they have of the corporate brand. Customers associated Svensk Fastighetsförmedling with the 1970s, and it became obvious that the brand needed to be seen as modern. The company realized that it needed to create new values while maintaining the values that make the brand unique. In addition, customers' living patterns were analyzed; the corporate brand should include a promise to consider customers' situations in life (as expressed in vision/mission). For example, Svensk Fastighetsförmedling realized that women are more active in the decision to move from one house to another. Furthermore, Svensk Fastighetsförmedling believed that it is important to attract new customers since an existing customer base constantly shrinks if not being renewed. Overall, the way customers were considered in the brand audit is consistent with Aaker (1996).

Another important external factor to consider in the brand audit is *competitors* (Aaker, 1996, de Chernatony, 2001; Knox & Bickerton, 2003). Accordingly, Svensk Fastighetsförmedling considered competitors and also mentioned that the competition is very different in the three largest cities. According to Ries and Trout (2001), a company can gain an advantage over competitors if it first communicates something differently. This applies to Svensk Fastighetsförmedling since it was the first broker firm to become more emotional in its communications. Svensk Fastighetsförmedling also considered external factors that were not part of the conceptual framework, i.e., the *business cycle*, *legislation* and *interest rates*. However, these factors are not surprising since they affect the buying behavior of houses.

Table 6.7 summarizes the analysis of the brand audit in Svensk Fastighetsförmedling.

Table 6.7: Svensk Fastighetsförmedling's Brand Audit

Internal factors	Whether and how the Internal Factors are Considered by Svensk Fastighetsförmedling
Company Vision and Mission (Knox & Bickerton, 2003; Urde, 2003; Hatch & Schultz, 2003; Aaker, 1996)	A new vision and mission had just been formulated before the brand audit; both can be seen as expressing what the corporate brand should achieve. Guides the whole process.
Organisational Culture (Aaker, 1996; de Chernatony, 2001; Knox & Bickerton, 2003; Urde, 2003)	The corporate brand was repositioned; therefore, the culture at Svensk Fastighetsförmedling needed to change. This was seen as the biggest challenge in the whole process.
Brand Architecture (e.g., Urde, 2003)	Svensk Fastighetsförmedling only works with its corporate brand
External factors*	Whether and how the External Factors are Considered by Svensk Fastighetsförmedling
Customers (Aaker, 1996; de Chernatony, 2001; Knox & Bickerton, 2003; Urde, 2003; Ries & Trout, 2001)	Customer needs Current image of Svensk Fastighetsförmedling was out of date. Customers' living patterns Attract new customers
Competitors (Aaker, 1996; de Chernatony, 2001; Knox & Bickerton, 2003; Ries & Trout, 2001)	Competitors' strengths and weaknesses was considered in the brand audit.
Business Cycle	Analyze how the business cycle affects the buying behavior.
Legislation	Current legislation needs to be clarified; the company is able to influence legislation through the broker's trade association
Interest Rates	Influences customers' willingness to buy and sell houses.

* = The gray shadow shows when factors are part of the conceptual framework and white colors show factors identified by Svensk Fastighetsförmedling

Brand Identity

The second step in the brand building process for Svensk Fastighetsförmedling was to create a brand platform, which is similar to what Aaker (1996) refers to as the brand identity. Aaker (1996) describes the brand identity as a core and extended identity and associations are related to product, person, organization, or symbol. Svensk Fastighetsförmedling's *core identity* can be found in the associations related to its previous symbol (Figure 6.5) — a red house with a Swedish flag and a sun, designed in a “cute” way, which associated the firm of being Swedish, folksy, stable, and safe. Although the symbol evoked strong associations, it also led customers to associate Svensk Fastighetsförmedling's personality with the 1970s and Thore Skogman. However, the company wanted to change the image held by customers to something more modern—without losing those core values.



Figure 6.5: The Previous Logotype of Svensk Fastighetsförmedling
Source: www.karlskronatk.com, July 2006

Svensk Fastighetsförmedling's new identity symbol (Figure 6.6) is an important tool to use in order to achieve this. The new logotype connects to the old one through the stripes of the Swedish flag and the name, but is otherwise completely different. Svensk Fastighetsförmedling's intention with its new logotype is to enable the company to maintain its old values while adding the values of modernity, vitality, vision, and personality. In addition, the new logotype is timeless, clearer, and easier to communicate. The company therefore uses the logotype as an anchor for other associations, which is consistent with Aaker (1996).



Figure 6.6: The Current Logotype of Svensk Fastighetsförmedling
Source: www.svenskfast.se, July 2006

The associations of Swedish, folksy, stable, and safe apply to the *organization* perspective (Aaker, 1996) since they connect to the heritage of Svensk Fastighetsförmedling, whose “old” personality was personified by Thore Skogman (as mentioned earlier). One challenge for the company was to use the new values in order to be personified by Anja Pärson instead. The metaphors of Thore Skogman and Anja Pärson are only used as an internal guidance in Svensk Fastighetsförmedling. Aaker (1996) also suggests that the brand identity should have associations related to the *person* perspective. The brand personality of the company is someone who works with heart and a twinkle in his eye—someone who is warm. This connects to the new values, expressed as “we should be a fresh thinking, committed and personal simplifier that works with heart and a twinkle in the eye” (From one situation to another, internal brand manual). Thus, the brand values, while similar to the core values, are more communicative. The distinction between brand values and core values is inconsistent with Aaker (1996). However, it is similar to how he discusses identity in relation to position, since he claims that a position should be more communicative than the identity. In Svensk Fastighetsförmedling, there is no contradiction between brand values and core values.

The company does not differentiate between core identity and extended identity; brand values are therefore interpreted as core values. As a result, Svensk Fastighetsförmedling has both old and new values in its core identity. The new values are intended to reflect the behavior of its employees and can, therefore, also be classified as organizational and personality associations. However, being “a fresh thinking, committed and personal simplifier” also says something about the service (i.e., the product) offered to the customer, which means that associations are also related to the product perspective. In conclusion, overlaps exist between Aaker’s (1996) identity perspectives (i.e., product, organizational, personality, and symbol) since the new brand values express employees’ personality as well as the kind of service customers can expect.

Svensk Fastighetsförmedling uses both functional and emotional benefits in its brand platform, which is also consistent with Aaker (1996). It is currently moving from a position of being rational and impersonal to becoming emotional and local. An important motivation for including emotional benefits is that Svensk Fastighetsförmedling found that women are the largest influencers in changing a living situation and women are expected to appreciate emotional benefits. The emotional benefits can be found in the fact that employees should be committed, personal, and warm. Svensk Fastighetsförmedling also wants to communicate that customers are safe having the company by their side in moving from one situation to another. The functional benefits are that Svensk Fastighetsförmedling is professional and, based on the customers’ life situation, works to simplify

customers' situations. The analysis of Svensk Fastighetsförmedling's brand identity is summarized in Table 6.8.

Table 6.8: Svensk Fastighetsförmedling's Brand Identity

Brand Identity Elements Based on Aaker (1996)	Svensk Fastighetsförmedling's Brand Identity
Core Identity	"Old" values: Swedish, folksy, stable, and safe New values: fresh thinking, committed, personal, simplifier
Extended Identity	Not used by Svensk Fastighetsförmedling
Product-related associations	Unclear, but the values fresh thinking, committed and personal simplifier connect to the services offered by employees
Personality-related associations	A warm person that works with heart and a twinkle in his eye. As an internal guidance, the company wants to be associated with Anja Pärson instead of Thore Skogman
Organization-related associations	All the brand values—i.e., Swedish, folksy, stable, safe, fresh thinking, committed, personal, simplifier, modernity, vitality, and vision—are applicable since they relate to the heritage, people, capabilities, and values of Svensk Fastighetsförmedling
Associations related to symbol (logotype)	Swedish, folksy, stable, safe, modernity, vitality, vision, and personality (anchor for other associations)
Functional benefits	Professional and based on customers' life situations; works to simplify customers' situations
Emotional benefits	Employees should be committed, personal, and warm. Customers should feel safe having Svensk Fastighetsförmedling by their side.

The third step of the conceptual framework, i.e., brand position, will now to be analyzed. It builds on the previous step, brand identity (Aaker, 1996).

Brand Position

The brand position is the cornerstone of the brand's communication (Aaker, 1996); the aim is to create a positive image and strong associations in the mind of the customer (ibid). Thus, brand position should be something that differentiates the company from competitors (Ries & Trout, 2001). According to the marketing director at Svensk Fastighetsförmedling, the company's position is decided before

the brand platform—i.e., it is included in the strategic framework. He explains the position as a desired position for the company on the market and that the brand should help it to reach that position. This contradicts the conceptual framework, which places brand position as the last step in the internal brand building process. However, the explanation is that the respondent only considers company position, instead of brand position. We interpret that Svensk Fastighetsförmedling's brand position is their communication concept, and will therefore be analyzed later. The confusion caused by brand terminology was previously discussed by Stern (2006). According to the internal brand manual "From one situation to another," the position is described as a position in the mind of the customer, which is achieved through consistent communication. This applies to how Ries and Trout (2001) discuss positioning. Consistency is achieved when the same message is communicated and is communicated in the same way (internal brand manual). The position is described by stating that Svensk Fastighetsförmedling should be perceived as local and emotional—i.e., personal, available, and knowledgeable about local conditions. The customer should feel that Svensk Fastighetsförmedling is a modern company that meets the needs of customers in all life situations (internal brand manual). The description of the position at Svensk Fastighetsförmedling (as described in the internal brand manual) is similar to how Aaker (1996) describes the brand position: a part of the brand identity to be actively communicated. It, therefore, overlaps with the brand identity described earlier. However, for a position to be efficient, it cannot be too broad since the human mind has limited cognitive capabilities and competing brands are also contending for a position (Ries & Trout, 2001). However, it is somewhat broad in Svensk Fastighetsförmedling.

Moreover, based on Aaker (1996) and Knox and Bickerton (2003), the brand position is in this study conceptualized as one or several brand position statements; therefore, the brand position identified at Svensk Fastighetsförmedling is its slogan "from one situation to another" since, besides being a clear statement, it is the point of the company's communication and is communicated constantly and consistently. The keyword is *situation*, which can be used in creative ways (e.g., "what's the situation?" and "looking for a new situation?"). Svensk Fastighetsförmedling describes "from one situation to another" as its communication concept; in other words, it is a summary of the brand platform and what all marketing communication should be based on (internal brand manual, 2005). This is consistent with the literature, as it becomes obvious that the brand position at Svensk Fastighetsförmedling is "from one situation to another," where *situation* is the keyword. The use of a keyword is also supported by Ries and Trout (2003). In addition, the logotype and yellow color are parts of the brand position since they are always communicated together with the slogan, thereby creating consistency. The brand position at Svensk Fastighetsförmedling is described in Table 6.9.

Table 6.9: Skandia’s Brand Position

Svensk Fastighetsförmedling’s Brand Position	
Brand Position Statement	“From one situation to another” The keyword is <i>situation</i> , which is used in creative ways. The position is also based on the logotype and the yellow color.

6.4.2 Brand Team (RQ 2)

The individuals involved in the brand building process can be referred to as the brand team (Harris & de Chernatony, 2001; Aaker & Joachimsthaler, 1999; de Chernatony, 1996). For the corporate brand, senior management is expected to be involved while the CEO usually is responsible for the corporate brand. The person responsible for protecting and nurturing the brand is referred to as the brand champion (Aaker & Joachimsthaler, 1999).

It is the CEO and the board that have the formal responsibility for the corporate brand at Svensk Fastighetsförmedling; however, the individual with the practical responsibility for the process is the marketing director, who can also be described as the brand champion at Svensk Fastighetsförmedling. This was not supported by literature. Furthermore, the brand team at Svensk Fastighetsförmedling could be divided into a primary and secondary brand team, and this was also not supported by the conceptual framework. The primary brand team is a group that includes the CEO, marketing director, communication manager, and PR manager. These individuals are involved throughout the process; the marketing director is the most active member. There are also other individuals connected to the process, including the board of directors, consultants, marketing personnel, and other employees; these can be labeled as a secondary group of the brand team. However, the company tries to limit the use of consultants as much as possible, as it is important to own its strategy. Finally, a reference group with broker representatives is connected to the brand team. The primary group uses the reference group for discussing proposals, but the reference group is not part of the strategic decisions in the internal corporate brand building process. The small size of the primary group has enabled Svensk Fastighetsförmedling to work efficiently with the brand platform. Harris and de Chernatony (2001) describe the corporate brand team as large and heterogeneous, which does not apply to Svensk Fastighetsförmedling. However, the small primary group is a logical consequence of the relatively small size of the head office. Svensk Fastighetsförmedling’s brand team is shown in Figure 6.7.

The Brand Team at Svensk Fastighetsförmedling	
Primary Group Involved Marketing director (brand champion) CEO Communication manager PR manager	Secondary Group Board of directors Consultants Marketing personnel Other employees
Reference Group (not part of strategic decisions) Broker representatives	

Figure 6.7: Svensk Fastighetsförmedling’s Brand Team

6.4.3 The Major Components of Internal Corporate Brand Building in Svensk Fastighetsförmedling (RP)

The internal corporate brand building process was conceptualized using the brand audit, brand identity, and brand position steps. For Svensk Fastighetsförmedling, the internal corporate brand building process was based on a *strategic platform* that had just been conducted before the actual brand building process began. The strategic platform included a new vision, mission, and core values. A company position was also decided: the company should be perceived as emotional and local instead of rational and impersonal. A company position was not included in the conceptual framework, however it overlaps with brand position, the last step.

The internal corporate brand building process started with the *brand audit* in which internal factors (vision, mission, and core values) were considered. The conceptual framework supports having the vision and mission in the audit, and core values are part of the organizational culture – as it reflects the behavior of employees (de Chernatony & Segal-Horn, 2003). However, brand architecture (Urde, 2003) was not considered, since Svensk Fastighetsförmedling only uses a corporate brand. External factors were also considered in the brand audit, i.e., customers, competitors, legislation, business cycle, and interest rates. Legislation, business cycle and interest rates were external factors not considered in the framework. The next step in the process was to create a *brand platform*, comparable to the brand identity, which included the brand values for Svensk Fastighetsförmedling. The traditional values associated with the brand are Swedish, folksy, stable, and safe; however, Svensk Fastighetsförmedling wanted to add more values to these, especially since the company’s personality was perceived as old-fashioned. Therefore, it created the brand values “we should be a fresh thinking, committed and personal simplifier

that works with heart and a twinkle in the eye.” The brand values built on core values defined in the strategic platform. Organisational perspectives dominated Svensk Fastighetsförmedling’s brand identity, which is consistent with Aaker (2001). Furthermore, the company wants to be seen as a modern company whose personality can be personified by Anja Pärson (which is an internal metaphor). A new graphical profile was created to facilitate the change in the brand identity; this included a new logotype, a new typeface, and the consistent use of the yellow identity color.

In accordance with Aaker (1996), Svensk Fastighetsförmedling also wants to communicate the *functional* and *emotional benefits* of its brand. The functional benefits delivered by the brand are to be professional, be based on the customers’ life situation, and work to simplify customers’ situations. Customers should get emotional benefits by being served by committed, personal, and warm employees. Customers should also feel safe having Svensk Fastighetsförmedling by their side when selling or buying a home.

The final step in the process was the communication concept for the corporate brand, which is stated in the slogan “from one situation to another.” The communication concept is how the brand platform is summarized and should always be used when communicating the brand. It is therefore consistent with how Aaker (1996) discusses the *brand position*. The keyword is *situation*, which can be used in creative ways. Moreover, Svensk Fastighetsförmedling hopes that the constant use of the word situation will result in the idea that they “own” that word in the minds of the customers.

Although different terms are used, the internal corporate brand building process follows the steps presented in the conceptual framework. The brand audit includes the major internal and external factors found in the literature (e.g., Aaker, 1996). The second step, brand platform, is similar to the brand identity. The core identity consists of a number of values, but an extended identity was not used. The associations could be grouped with the four association perspectives proposed by Aaker, although there were overlaps between the different groups of associations. Associations were dominated by the organizational perspective, which is consistent with Aaker (2001). Functional and emotional values delivered by the brand could also be identified. The last step in the process, the communication concept, is described in the same way as how brand position is discussed in the literature (e.g., Aaker, 1996; Ries & Trout, 2001): a summary of the brand identity expressed in a statement and consistently used in communication. Svensk Fastighetsförmedling also aims to own the word *situation* in customers’ minds, which is consistent with, for instance, Ries and Trout (2001). The internal corporate brand process is shown in Figure 6.8.

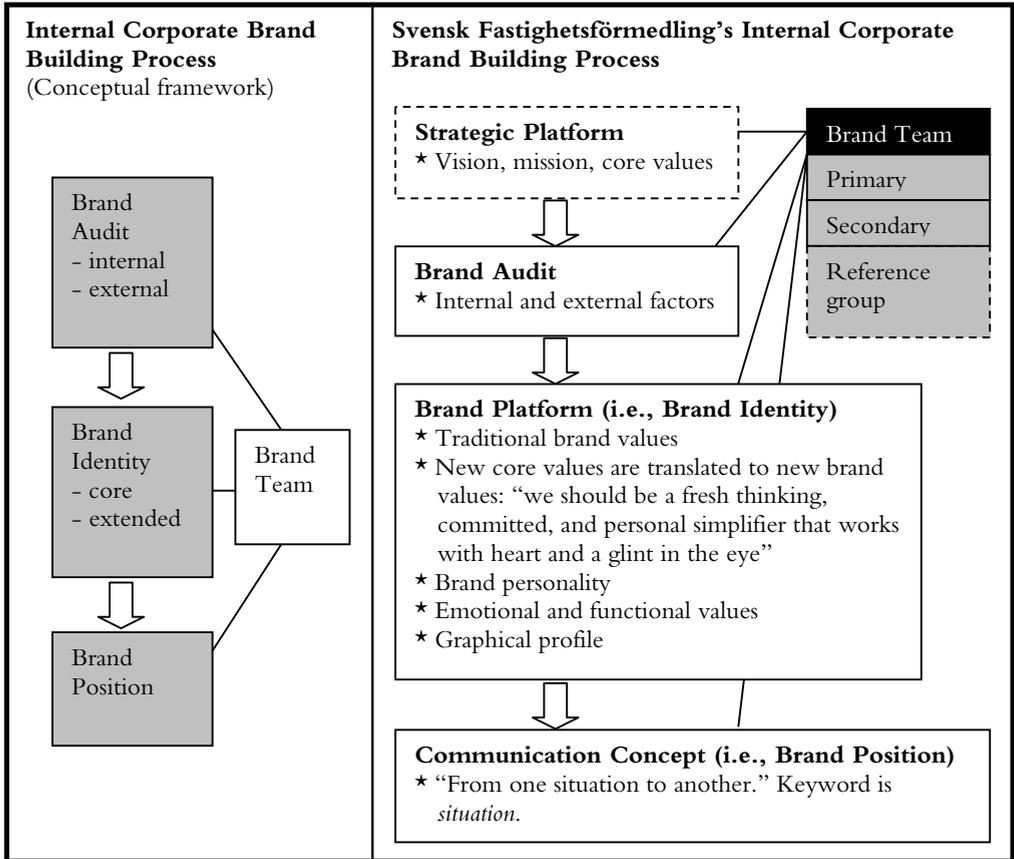


Figure 6.8: Analysis of Svensk Fastighetsförmedling's Internal Corporate Brand Building Process

6.5 Cross-case Analysis

This section will compare the cases of Skandia, SEB, and Svensk Fastighetsförmedling to one another. The cross-case analysis is based on the within-case analysis for each company, which showed how each case could be compared to the conceptual framework. While still using the framework as the underlying structure, the cross-case analysis will focus on identifying similarities and differences across the three cases. The cross-case analysis will be conducted in the following areas:

- ★ Steps in the Internal Corporate Brand Building Process (RQ 1)
 - Brand Audit
 - Brand Identity/Brand Platform

- Brand Position

★ The Brand Team (RQ 2)

★ The Major Components of Internal Corporate Brand Building (RP)

6.5.1 The Internal Corporate Brand Building Process (RQ 1)

In accordance with the the literature (Knox and Bickerton, 2003; de Chernatony, 2001), respondents view the process as a systematic and sequential course of steps, while each step consisted of a number of related activities. The internal corporate brand building process was conceptualized with the brand audit, brand identity, and brand position steps (Aaker, 1996; de Chernatony, 2001; Knox and Bickerton, 2003; Urde, 2003), which will be discussed next.

Brand Audit

Common to all three cases was the the internal brand- building processes started with the brand audit. For Skandia, the brand audit was part of a broader analysis, while Svensk Fastighetsförmedling had just created a strategic platform before continuing with the brand audit. In analyzing how the brand audit was organized (see Table 6.10), it was determined that the management in Skandia and Svensk Fastighetsförmedling, and the communication group (staff function) in SEB, initiated the brand audit. The communication group also led the brand audit at SEB; however, consultants led it at Skandia, and the marketing director led the brand audit at Svensk Fastighetsförmedling. Consultants were used for the brand audit in all three cases.

Table 6.10: Organizing the Brand Audit

Element in the Brand Audit	Skandia	SEB	Svensk Fastighetsförmedling
Separate activity	No, part of a strategic audit	Yes, but based on the business strategy	Yes, but based on a strategic platform
Initiated by	Management	Communication Group	Management
Led by	Consultants	Communication Group	Marketing director
Information sources	Primary and secondary market research	No evidence of sources used by SEB	e.g., seminars, country comparisons, Internet
Consultants involved	Yes	Yes (One)	Yes

Comparing the factors that are analyzed in the brand audit across cases found more similarities than differences (see Table 6.11).

Table 6.11: Cross-case Analysis of the Brand Audit

Internal Factor in the Brand Audit	Skandia	SEB	Svensk Fastighetsförmedling
Company Vision and Mission (e.g. Urde, 2003)	Analyzed vision and mission.	Analyzed vision.	Analyzed both vision and mission.
Organizational Culture (e.g., Aaker, 1996; de Chernatony, 2001)	Cultural values were potential brand values.	Cultural values should be same as core values.	Cultural values needed to change.
Brand Architecture (e.g., Urde, 2003)	Wants to create “one Skandia.”	Wants to create “one SEB.”	Only the corporate brand is used.
Internal Factors not Considered in the Conceptual Framework		Business Strategy. Overlaps with vision, guides the process.	Internal factors not considered in the conceptual framework
		Internal efficiency Improve efficiency and cross-servicing.	
External Factor in the Brand Audit	Skandia	SEB	Svensk Fastighetsförmedling
Customers (e.g., Aaker, 1996; de Chernatony, 2001)	Perception of Skandia, buying behavior	Current and desired image, customer needs.	Customer needs, current image.
Competitors (e.g., Knox & Bickerton, 2003; Aaker, 1996)	Analyzed competitors’ strengths and weaknesses.	Analyzed competitors’ position, weaknesses.	Competitors considered by Svensk Fastighetsförmedling.
External Factors not Considered in the Conceptual Framework	General public Improve general image of Skandia.		Business Cycle How it affects the buying behavior of housing.
	Other macro variables. New ITP-agreement, legislation.		Legislation Clarify current legislation.

Consistent with literature, *vision/mission* was an important internal factor for SEB and Svensk Fastighetsförmedling. SEB stated its desire to create “one SEB” in its vision, implying that it is focusing on building an SEB master brand. For Svensk Fastighetsförmedling, the vision and mission had a significant impact on its brand platform. In addition, the *organizational culture* was also considered in all three cases and was especially emphasized by Svensk Fastighetsförmedling. The marketing director commented that the biggest challenge in the brand building process is to get employees to communicate according to the brand. This is supported by de Chernatony and Segal-Horn (2003).

Meanwhile, *brand architecture* (Urde, 2003) was analyzed by Skandia and SEB, since both companies also use sub-brands. The intention for both Skandia and SEB was to further consolidate their corporate brands, and this trend towards stronger corporate brands was evident both in theory and from the empirical evidence. Svensk Fastighetsförmedling on the other hand, only works with its corporate brand. With regards to external factors in the brand audit, *customers* (e.g., Aaker, 1996) were seen as a factor of high importance for all three companies, which is also consistent with the literature. *Competitors*, meanwhile, were mostly emphasized by SEB, which discussed competitors’ weaknesses and how SEB was positioned against competition. However, it was a factor of high importance across all cases.

Other internal and external factors that were not conceptualized were considered as well. Skandia saw the *general public* as an important target audience since the company’s reputation had been severely damaged by its crisis. Skandia also considered the new *ITP agreement* and *legislation* in the brand audit. *Values* were also seen as an important factor in Skandia, which connects to the organizational culture discussed earlier. Meanwhile, SEB considered its latest *business strategy* before continuing with planning the corporate brand and reviewed internal efficiency as well; a stronger corporate brand would increase the internal efficiency. Finally, Svensk Fastighetsförmedling considered macro variables such as the *business cycle* and, like Skandia, the *legislation* in its brand audit.

The brand audit lays the foundation for determining what the brand should stand for—i.e., the brand’s identity—which is analyzed next.

Brand Identity

Aaker (1996) describes brand identity as the core nature of the brand that provides direction, purpose, and meaning for the brand. Although it is a concept frequently discussed in the literature, the three companies referred to brand identity as brand platform. However, using Aaker’s framework as a base, the brand platform was perceived as the brand identity in each of the three cases and will now be analyzed against each other (see Table 6.12, next page).

Table 6.12: Cross-case analysis of the Brand Identity

Brand Identity (Aaker, 1996)	Skandia	SEB	Svensk Fastighetsförmedling
Core Identity	Three core values: innovative, competent and engaged	Twelve values. Most evident: corporate, modern, and competent	Swedish, folksy, stable, safe, fresh thinking, committed, and personal simplifier
Extended Identity	Not used	Emotional attributes: open & vital, proactive & lively, joyful, exciting, close relations	Not used
Product-related associations	Unclear, but uses values connected to the services offered	Corporate bank, international bank	Unclear, but uses values connected to the services offered
Organization-related associations	Innovation, competence, and engagement	Heritage, committed, competent, professional & trustworthy	All values can be associated with organizational attributes
Personality-related associations	Difficult to apply during the crisis	Proactive & lively, open & vital, joyful, exciting, commitment, professional, close relations competent, masculine, leader-type, self-confident	A warm person who works with heart and a glint in his eye
Symbol-related associations	No clear evidence	Modern	Swedish, folksy, stable, safe, modernity, vitality, vision, and personality
Functional benefits (to customers)	Used by Skandia. Connected to position.	SEB should be clear on what it offers.	Professional Look at life situation Simplify situation
Emotional benefits (to customers)	Used by Skandia. Customers should feel smarter.	Communicates with a glint in the eye (emotional associations)	Employees should be committed, personal, and warm

Core identity clearly differed across cases. Skandia used three core values in its core identity (innovative, competent, and engaged) and was considering adding three additional values (simplicity, availability, and a new way to offer financial services). Svensk Fastighetsförmedling’s core identity consisted of both old (Swedish, folksy, and stable) and new values (fresh thinking, committed, and personal simplifier), for

a total of six values. Meanwhile, SEB had 12 attributes describing its core identity and sought to replace a few of these with emotional attributes instead. The identities, therefore, differ in terms of the number of attributes with which they are associated (3, 6, and 12).

Similar attributes could be found among all three companies; all cases included competence or professionalism in their brand identity, which is logical since they all offer services that require competent employees. In addition, committed or engaged were values included in all three corporate brands identities. Interestingly, they all also had associations they wanted to remove from their identity. Skandia wanted to remove the associations of being a scandalized company, SEB wanted to remove the associations of being formal, closed, cold, and masculine, and Svensk Fastighetsförmedling wanted to remove the view of an old fashioned personality.

The approaches to remove these associations varied across cases. Skandia used the crisis to its advantage by communicating that “with our reputation, we cannot afford mistakes.” SEB added a number of emotional/personality associations to offset its negative associations. Meanwhile, Svensk Fastighetsförmedling completely changed its graphical profile and added four new brand values and a new brand position in order to be seen as a modern company. None of the three cases deliberately used an *extended identity*—i.e., associations that add texture and completeness to the corporate brand. However, the use of emotional attributes at SEB is seen as an extended identity instead of being part of its core identity.

In classifying the associations used for the core and extended identity, Aaker (1996) uses the perspectives of product, organization, personality, and symbol. Product-related associations were not that evident across cases; however, if *product* is interpreted as a service as well, then service associations could be included (e.g., competence, simplifier). Two associations for SEB can be described according to the product perspective—i.e., being a corporate bank and an international bank.

The most evident group of perspectives for all cases is that related to the *organization*, which was expected since the identity concerns the corporate brand—often connected with organizational attributes. Moreover, service brands are often associated with the organizational culture. Skandia’s core identity values—innovative, competent, and engaged—are associated with the organizational perspective. Svensk Fastighetsförmedling’s values can also be classified according to the organizational perspective. SEB also has a number of strong values connected to the organizational perspective—commitment, competence, professional, trustworthy and its heritage with Wallenberg.

In addition, all three cases indicated it was important to have a *brand personality*. However, for Skandia it was impossible to work with its brand personality during

the crisis since Skandia was associated with scandals and greed, associations that needed to be weakened before a brand personality could be built. Skandia does however include an emotional benefit with the brand: the customer should feel smarter when doing business with Skandia. Meanwhile, SEB focused significantly on personality-related associations. SEB believed that, if it successfully added emotional (personality) attributes to its brand, it would achieve a stronger position among private customers and it would be able to more easily remove negative associations. In addition, a broader identity for SEB would also make it easier to include its foreign banks in the SEB family. Both SEB and Svensk Fastighetsförmedling saw a window of opportunity in including emotional values in their corporate brands. Both the banking and the broker industry have traditionally been weak in using emotional attributes for their brands. SEB uses the personality associations open and vital, proactive and lively, joyful, exciting, and close relations while Svensk Fastighetsförmedling focused on creating a warm personality for its brand, primarily through the behavior of employees. Interestingly, both SEB and Svensk Fastighetsförmedling used the expression of communicating “with a twinkle in the eye.”

Associations connected to the brand *symbol* were mostly used by Svensk Fastighetsförmedling, whose previous logotype evoked the associations Swedish, folksy, stable, and safe. Svensk Fastighetsförmedling was able to keep those associations by using the stripes of the Swedish flag while creating new associations, such as modern and vital. Meanwhile, SEB’s symbol was associated with modern, while no evidence existed of associations for Skandia’s logotype.

However, according to Aaker (1996), the brand symbol also functions as an anchor for other associations. Moreover, brands should deliver functional and emotional benefits to the customer (ibid). The functional benefits offered by the Skandia brand were described as improving the customers’ financial status and offering intelligent solutions. SEB’s slogan—“financially yours”—implies that SEB offers the customer both functional and emotional value. The marketing manager also described the brand’s functional benefits in more general terms, stating that SEB should be clear on what it offers customers. Functional benefits are also offered by Svensk Fastighetsförmedling. Emotional benefits were most evident for Skandia, which wants the customer to feel smarter when doing business with Skandia. For SEB and Svensk Fastighetsförmedling, the emotional benefits were not that clear, but related to using emotional values in their communication with customers.

Brand Position

Now that the brand identity has been compared across cases, the next area to be analyzed is the brand position, or the part of the brand identity that is actively communicated (Aaker, 1996). Brand position is conceptualized as internal or

external corporate brand position statements that firms use to communicate the brand position. In the three cases in question, all firms used brand position statements (see Table 6.13). Skandia has three statements in its brand promise: “The most engaged partner,” “Improved economy,” and “Safety through all phases of life.” These statements connect to Skandia’s core identity.

Meanwhile SEB’s brand promise was based on three statements as well: “we speak to and from individuals,” “we are open with our competence,” and “we are easy to contact—whenever, wherever.” These statements in turn led to the promise: “An individual, active and developing bank relation—at the customer’s choice of time and place.” The brand promise reflects the new values added by SEB to its core identity and reflects the strategic move SEB wishes to make on the positional map (see Figure 5.3). SEB also has a new slogan, “financially yours,” which expresses the functional and emotional benefits of its brand.

Looking at the brand position for Svensk Fastighetsförmedling, it also uses a slogan: “From one situation to another.” Svensk Fastighetsförmedling describes the slogan as its communication concept—what all communication should be based on. The keyword is *situation*, which is used in all non-personal communication, can be expressed in statements other than “from one situation to another” as well.

Table 6.13: Cross-case Analysis of the Brand Position

Brand Position Statements	
Skandia	“The most engaged partner” “Improved economy” “Safety through all phases of life”
SEB	“We speak to and from individuals” “We are open with our competence” “We are easy to contact—whenever, wherever” Combined = “An individual, active and developing bank relation—at the customer’s choice of time and place.” (brand promise) “Financially yours” (slogan)
Svensk Fastighetsförmedling	“From one situation to another” (slogan) The keyword is <i>situation</i> , which is used in creative ways

Since both Skandia’s and SEB’s brand promises are expressed in communicative statements and based on the core identity, they are seen as brand positions. SEB’s brand promise and slogan are seen as complementary; both are based on the brand identity. All three cases have clear and differentiated brand position statements,

which is consistent with the conceptual framework. Svensk Fastighetsförmedling's brand position statement, also based on a slogan, seeks to try to "own" the keyword *situation* in the minds of the customers through frequent and creative communication, which is consistent with how Ries and Trout (2001) discuss brand positioning.

6.5.2 Brand Team (RQ 2)

The second research question concerns the brand team, which is conceptualized as those individuals who are actively involved in the internal corporate brand building process (Harris & de Chernatony, 2001). The brand team at Skandia was divided into a core brand team with the marketing manager, consultants, CEO, and divisional marketing managers. There was also a secondary brand team that involved management, the marketing council, and employees in the marketing department. The marketing manager also had the role of the brand champion as she was at the center of the brand building process and the primary advocate of the corporate brand at Skandia. The brand team as a whole can therefore be seen as a large and heterogeneous group (consistent with Harris and de Chernatony, 2001), although the core group is small.

Meanwhile, the brand team at SEB can be divided into two groups: the management and the staff function communication group. In addition, one consultant works with the communication group. The roles in the brand team are divided so that management controls the process and gives broad guidelines to the communication group on what should be prioritized in the brand building process. The communication group is responsible for creating the corporate brand framework at SEB and is only working strategically. A clear brand champion could not be identified; in addition, the management group has a larger influence in SEB's brand building process compared to Skandia's. However, the brand champion in Skandia's process—the marketing manager—was a member of the management group, while the marketing manager at SEB was not part of management.

The brand team at Svensk Fastighetsförmedling was most similar to the brand team at Skandia. Svensk Fastighetsförmedling also had a small core/primary group and a secondary group. This distinction of the brand team was different from the conceptual framework. Moreover, the marketing director was identified as the brand champion, similar to the situation at Skandia. This was also different from literature, since the CEO is seen as central to the brand (Balmer & Gray, 2003).

One similarity among the three cases was that they all had reference groups, which differed from theory. Skandia had a marketing council, SEB a group of divisional

marketing managers, and Svensk Fastighetsförmedling a reference group of brokers. The reference group is a useful forum for discussing brand issues for the companies. It appears that Skandia's reference group had most influence on the process, compared to the reference groups at SEB and Svensk Fastighetsförmedling. Furthermore, the CEO was part of the primary brand team (although not a brand champion) across all cases, which is consistent with the literature (Knox & Bickerton, 2003; Balmer & Gray, 2003). Consultants were used across all cases but had the most influence in Skandia's brand building process. The cross-case analysis of the brand team is presented in Table 6.14.

Table 6.14: Cross-case Analysis of the Brand Team

Brand Team	Skandia	SEB	Svensk Fastighetsförmedling
Individuals/ groups involved in the brand team	Marketing manager, consultants, CEO, divisional marketing managers, marketing council, management, marketing department	<i>Communications group</i> (marketing, internal communication, IR, & one consultant) <i>Management group</i>	Marketing director, CEO, communication manager, PR manager, board of directors, consultants, marketing personnel
Primary Group	Marketing manager, consultants, CEO, divisional marketing managers	Same as above	Marketing director, CEO, communication manager, PR manager
Secondary Group	Marketing council, management, marketing department	Not identified	Board of directors, consultants, marketing personnel
Brand Champion	Marketing Manager	Not identified	Marketing Manager
Consultants' influence	High	Low	Low
Reference group	Marketing Council	Divisional marketing managers	Broker representatives

6.5.3 The Major Components of Internal Corporate Brand Building (RP)

In comparing the internal brand building processes across the cases, many similarities can be found (see Figure 6.1). All firms had recently conducted the internal brand building process and had just started with implementation. There was a common understanding across the cases that the corporate brand was a very important strategic asset. Skandia and SEB desired to further strengthen their corporate brand in the brand portfolio, thus using the corporate brand as a master brand. All firms also had the same brand perspective: viewing the brand as a promise. Svensk Fastighetsförmedling worked only with a corporate brand and the brand building process was conducted because of a strategic repositioning of the corporate brand. Overall, the processes applied to the theoretical framework—i.e., the brand audit, brand identity, and brand position steps. Although the steps followed by each firm used other labels and could have another order, the underlying logic of the conceptual framework could be applied across the three cases. Also, steps were included which was not part of the conceptual framework. This mostly applied to SEB, which had the brand strategy as the second step, including the customer promise and current and future brand position, and brand platform as the third step, consisting of a number of brand building tools.

The brand audit was conducted by all firms, but for Skandia and Svensk Fastighetsförmedling, it was part of a broader strategic audit. Internal and external factors in the brand audit were considered for the three cases. The second step, brand identity, was referred to by all firms as the brand platform. A core identity could be identified across cases, but an explicit extended identity could not be found in any of the three cases. However, SEB had added a number of emotional attributes to its brand, which was interpreted as an extended identity. SEB's brand platform was similar to a "brand toolbox," with a number of brand building elements, including the communication platform, which is similar to how brand identity is conceptualized in this study. The third step—brand position—was also found for all cases. Skandia's brand promise was synonymous with brand position and included three brand position statements. Similarly, SEB had a brand promise with four statements as well as a slogan, which is interpreted as the most evident brand position statement. The brand position for SEB was included in its brand platform. The brand position statement used by Svensk Fastighetsförmedling was also a slogan, which included the keyword *situation*. The brand position statements across the three cases were clear, concise, and based on the brand identity; this is also supported by theory.

In organizing the internal brand building process, all firms had a structured approach to building the brand. The level of formalization was higher in Skandia and SEB compared to Svensk Fastighetsförmedling, but that is a logical consequence of Svensk Fastighetsförmedling being a smaller company and having a

smaller brand team. Moreover, the brand building process was most rapid at Svensk Fastighetsförmedling, while Skandia and SEB were concerned with the difficulties in moving the brand building process forward. At Skandia and Svensk Fastighetsförmedling, the marketing director had a central role in the process and was seen as the brand champion; the CEO and the management were part of the internal brand building process. Finally, management had the formal responsibility of the corporate brand across all cases. However, the main point about the brand team is that components that were not part of the conceptualization could be identified, i.e., the distinction between a core and extended brand team and the reference group. The major internal components of internal corporate brand building are summarized in Table 6.8.

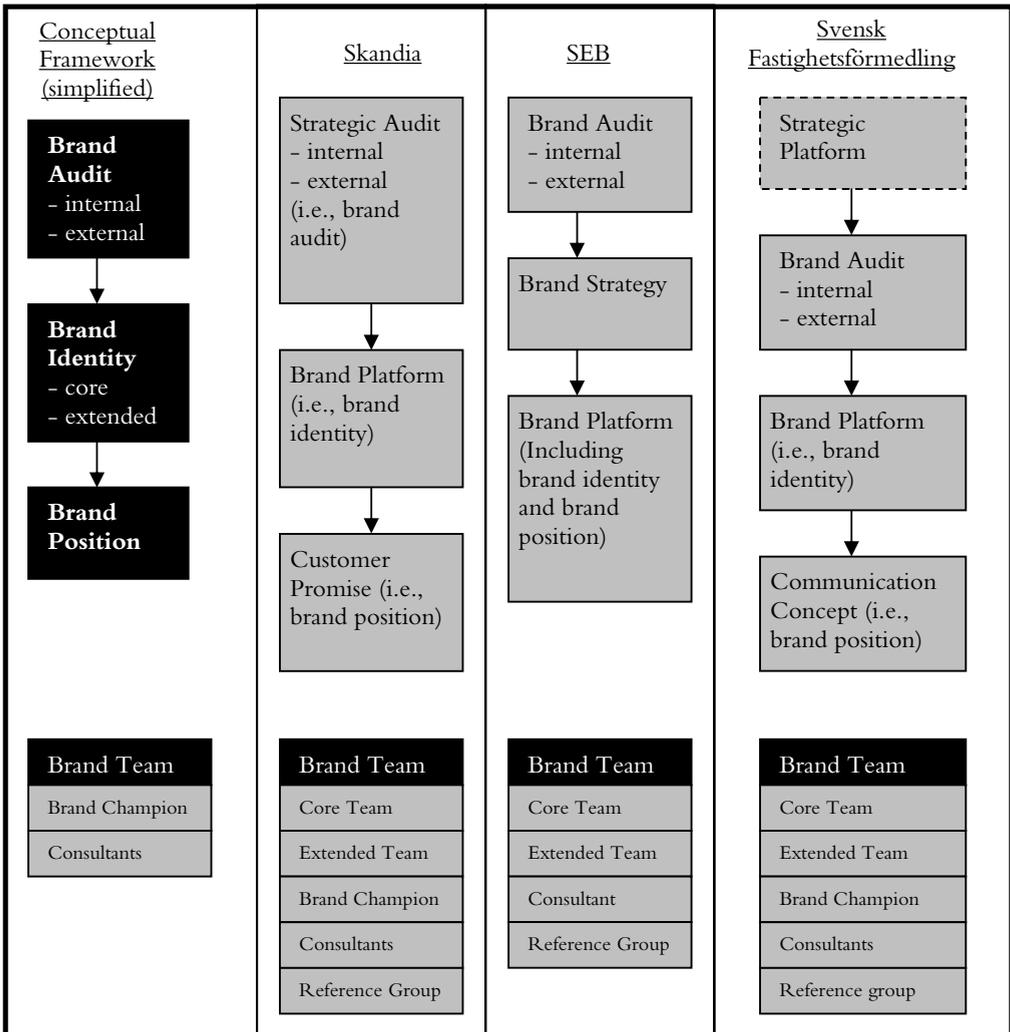


Figure 6.9: *The Major Components of Internal Corporate Brand Building*

7. Conclusions and Findings

This final chapter will examine the conclusions and findings of this study. Conclusions are based on the analysis of the internal corporate brand building in Skandia, SEB, and Svensk Fastighetsförmedling. Overall findings connected to the research problem will first be discussed, followed by the findings connected to each research question; theoretical and managerial implications of this study will then be presented. The chapter will end with suggestions for future research.

7.1 Overall Findings

The findings in this study are based on three case studies; thus, the purpose is not to generalize the findings to a larger population. Moreover, a qualitative case study usually does not aim to do so. However, as Yin (2003) suggests, results from case studies can be used to support or challenge existing theory. Getz (as cited in Bryman, 2002) also suggests that thick descriptions of the social reality (which this thesis attempted to provide) improve the study's transferability to other settings. Furthermore, the main empirical evidence was collected in interviews with the marketing manager at each firm. Although it is believed that the marketing managers were key informants for this study, additional interviews with individuals involved in the internal corporate brand building process would have strengthened the evidence; however, such additional interviews were not conducted due to a lack of both access and time. Instead, the thesis relied on secondary data to triangulate information obtained from the personal interviews. The findings presented in this chapter relate to the research problem examined in this study: *what are the major components of internal corporate brand building in service firms?*

In the literature, the corporate brand was described as an important strategic asset for the firm (e.g., Balmer & Gray, 2003; Knox & Bickerton, 2003), which was confirmed in the three cases as all respondents saw the corporate brand as a very important asset. It was also found that the interest for the corporate brand among the firms being studied was at a peak. Respondents commented that this interest was not specific to their company, but something that was obvious for the industry as a whole. In Skandia and SEB, it was explicitly stated that their aim was to create "One Skandia"/"One SEB," indicating their desire to further consolidate the corporate brand. The literature review also revealed that the brand concept can have numerous perspectives. The common perspective among the three firms in this study was to view the brand as a promise, which is a perspective that is also often used by scholars (de Chernatony, 2001b)

This study focuses on service firms, which makes branding more challenging due to the characteristics of intangibility, inseparability, and heterogeneity. The

literature suggests that brands are especially important for services since problems related to these characteristics can be reduced—an assertion supported in this study since the brand enabled the three service firms to communicate functional and emotional values to reduce the perceived risk of buying these services as well as adding value. However, the main focus in the service brand literature is the implementation of the brand, which was outside the focus of this study. Still, the corporate brand literature is closely related to service brands since they both represent intangible elements—e.g., the behavior and values of staff (Balmer & Gray, 2003).

The major components found in the internal corporate brand building in service firms were the internal corporate brand building process and the brand team involved in this process. The major steps identified in the process included the brand audit, brand identity, and brand position, which confirmed the steps in the conceptual framework. Furthermore, the main elements of the brand team were the brand champion and the distinction between a core brand team and an extended brand team. However, the distinction between a core and extended brand team was not identified in the conceptual framework.

The detailed answers to the research problem will be provided by answering the research questions, which are presented next. The subsequent headings will therefore be connected to the research questions—i.e.:

- * How can the internal corporate brand building process be explained?
- * How can the brand team be characterized during the internal corporate brand building process?

7.2 The Internal Corporate Brand Building Process

The focus of the first research question was to describe the internal corporate brand building process—in other words, the steps conducted before implementation. First, a few general findings of the processes conducted at Skandia, SEB, and Svensk Fastighetsförmedling will be presented.

The three firms in this study were all found to have structured processes in which everything was documented. Overall, they followed the steps identified in the conceptual framework—brand audit, brand identity, and brand position—although some minor differences existed. For example, brand identity was referred to as the brand platform. In SEB, brand identity was just one of several tools used in its platform, which also included the brand position. Furthermore, the brand audit was part of a broader strategic analysis in two of the cases (Skandia and Svensk Fastighetsförmedling). One explanation for this is that the brand is related to several strategic issues, such as the company vision/mission, choice of target

market, and the choice of services being offered, which justifies a broader analysis. Moreover, the evidence in this study suggests that the internal corporate brand building process resulted in communicative statements (i.e., the brand position).

Next, the findings related to the specific steps used in the conceptualization—brand audit, brand identity, and brand position—will be discussed.

7.2.1 Brand Audit

Skandia, SEB and Svensk Fastighetsförmedling all conducted a brand audit as the starting point of the process; all the elements in the conceptual framework—vision/mission, culture, brand architecture, customers, and competitors—were considered by the three firms (although Svensk Fastighetsförmedling had a simple brand architecture since using only the corporate brand). The most important element was customers, which is supported by theory (Aaker, 1996). A clear example of how customers were considered was found in Skandia, where customers' changing buying behavior was an important issue. Customers were now moving across channels (e.g., internet or phone), which led Skandia to question whether its internet bank should have a separate sub-brand. Thus, one element that caused a lot of headaches in Skandia—as well as in SEB—was the brand architecture (i.e., how to manage the brand portfolio). Both Skandia and SEB struggled with deciding what to do with sub-brands. Since both firms had the ambition to consolidate the corporate brand, they considered abandoning some of their sub-brands. Meanwhile, competitors as an element were mostly emphasized in SEB; the respondent presented perceptual maps of how SEB was perceived in relation to competitors. Competitors were also considered by Skandia and Svensk Fastighetsförmedling, but they provided less detailed information about this factor. Other factors were identified that were not part of the conceptualization, such as legislation (SEB, Skandia), business strategy (SEB), the general public (Skandia), and the business cycle (Svensk Fastighetsförmedling). One interesting finding from the Skandia case was that, because of the crisis, its corporate brand had become tainted and was perceived as greedy and dishonest. Therefore, Skandia had to apologize to the general public about what had happened, before the company could communicate what it is good at; Skandia wanted the public to perceive it as a good company again. This can be seen as a social factor, since customers were generally not leaving Skandia because of the scandal; however, they might do so if the public image of Skandia remains negative.

7.2.2 Brand Identity

The central step in building the corporate brand is to determine the brand identity, which was conceptualized according to Aaker (1996). The case studies found that the firms did not distinguish between core and extended identity, which can be

interpreted as their core values and associations were all based on core identity. However, in the case of SEB, the company wanted to add emotional/personality associations to its previous strong fundament of being a professional corporate bank. The emotional associations are therefore interpreted as an extended identity, although they could be established as a part of the core identity over time. Aaker (1996) divides associations for identity into four perspectives: product, person, organization, and symbol. For the three firms in this study, associations connected to the organization perspective dominated; this was supported by literature since the corporate brand, first and foremost, represents the organization (Aaker, 2001). One interesting finding was that all firms used the values competence/professional and engaged/committed in the core identity. This can be explained by the fact that they all offer services requiring qualified employees.

This study also found that firms believed it to be important to create a brand personality. However, for Skandia it was not possible to work with the brand personality during the crisis. The company needed to restore its reputation before being able to work with the brand personality again. Furthermore, SEB wanted to remove negative personality associations among private customers of being seen as formal, closed, cold, and masculine by adding the personality associations open and vital, proactive and lively, joyful, and exciting and a company establishing close relationships. SEB believed that the new brand personality traits could weaken or remove the negative ones, which would result in SEB being a more emotional brand. Svensk Fastighetsförmedling had a similar problem with its brand personality; the company found that its customers as well as the public perceived the firm as having an old-fashioned personality, using Thore Skogman (a Swedish actor, songwriter, and singer most active during the 1960s and 1970s) as a metaphor to describe it. Svensk Fastighetsförmedling therefore changed its brand logotype and added values such as being more modern and a warm person who works with heart. The desired metaphor for its new brand personality was to be perceived as Anja Pärson (a young successful Swedish alpine skier) instead. Therefore, the brand symbol played a more important role in the case of Svensk Fastighetsförmedling compared to Skandia and SEB as it signaled a change in the brand identity.

Common for all three cases was that the firms were in the process of adding values to their corporate brand identities. Skandia had already added the value of having engaged employees and was considering adding the values simplicity, availability, and a new way to offer financial services—values currently held by one of their sub-brands, Skandiabanken. Meanwhile, SEB and Svensk Fastighetsförmedling both wanted to develop their brand personalities as discussed in the previous paragraph. In addition, the three firms in this study were all working to remove undesirable associations that stakeholders had about the brands. Moreover, an overlap with the organization and personality perspective was identified in Aaker's

(1996) brand identity framework since an organizational value also can be a personality trait.

7.2.3 Brand Position

The result of the internal brand building process is, according to the conceptual framework, to arrive at the brand position, which is one or several communicative statements based on the brand identity. Brand position statements were found as the last step of the process in all three cases. Interestingly, both SEB and Svensk Fastighetsförmedling used the expression to communicate with a “glint in the eye.” The brand positions in the cases being studied were also based on the brand identity, as suggested by Aaker (1996).

Skandia’s three brand position statements (p. 109) were concise and included both emotional and functional values. Evidence also suggested that these brand position statements were communicated over different channels, such as the company’s webpage, annual report, and press releases. It should be noted that Skandia used a temporary position during the crisis, arguing that because of its reputation it could not afford mistakes. However, this position was to be used for only a limited time period and is a good example of how something negative can be converted into something positive. Svensk Fastighetsförmedling chose the keyword *situation* from its brand position statement “from one situation to another,” with the intention of eventually owning this word in the minds of the customers, which is consistent with Ries and Trout (2001). Furthermore, Ries and Trout argue that the position should be narrow and simple. SEB also used a concise brand position statement in its slogan “financially yours.” However, the marketing manager at SEB pointed out that SEB wanted to broaden its current position in order to incorporate its international subsidiaries into the SEB brand family, which contradicts with the recommendation given by Ries and Trout (2001). SEB also differentiated between internal brand position statements and an external brand position statement; However, the internal statements, which were also communicated externally, guided the behavior of employees rather than serving as statements to be stamped on the customers’ foreheads. An internal brand position was also suggested by Keller (1999).

7.3 The Brand Team

Both Skandia’s and Svensk Fastighetsförmedling’s brand teams could be divided into a core brand team and an extended brand team. The core brand team was active during all steps in the internal corporate brand building process, while the extended brand team was less frequently involved. The marketing manager was found to be the brand champion in the brand team in Skandia and Svensk

Fastighetsförmedling. Literature pointed toward the CEO as the most important individual with regards to the corporate brand (Balmer & Gray, 2003), but this study instead found the marketing manager to be the central individual for building the corporate brand. However, it should be noted that marketing managers were also the respondents in this study, which may have caused bias. Furthermore, consultants were part of the brand team in the three firms, although the respondents at SEB and Svensk Fastighetsförmedling emphasized that they tried to not become dependent on consultants since they wanted to own their strategies. On unexpected finding was that all brand teams relied on a reference group with employees of the firm. However, it seems logical for a reference group to be used in the internal corporate brand building process since ideas about the content of the corporate brand can be tested and accepted by the reference group before being decided upon and implemented in the organization.

7.4 Managerial Implications

The value of a strong corporate brand has been discussed in this study. It should be a prioritized area in any service firm—an idea also supported by the literature review and the evidence from the three firms in this study. However, it should be remembered that a brand is also a promise to stakeholders, which implies that employees on all levels should be committed to it. Otherwise, the brand may create expectations that are not being fulfilled. For service firms, it is especially important to build the corporate brand in order to minimize the problems caused by intangibility, heterogeneity, and inseparability. This study also proves that building the corporate brand involves numerous difficult decisions and takes a long time, particularly in large firms. A process in which information is documented and clear responsibilities are assigned should be followed. As one respondent commented, it is easy to underestimate the work that is needed to plan and execute the corporate brand. A strong leadership was also mentioned as extremely important; a manager must be 100 percent loyal to a decision and to 100 percent understand why a decision has been taken. It is also a challenge to make everyone on the brand team understand what branding is about. Furthermore, the case of Svensk Fastighetsförmedling showed that a repositioning of a corporate brand from old fashioned to modern can be further pushed by simultaneously changing the logotype, which signals stakeholders that something has happened with the brand. However, as the marketing manager in this firm pointed out, the most difficult task is to translate brand values into the daily behaviors of employees. A brand cannot have a different meaning on paper compared to how employees serve customers—otherwise the brand building effort is a waste of money. Companies should also create a nuanced brand identity that includes emotional attributes in addition to functionality. Finally, a clear brand position statement should be developed for any corporate brand as this statement is frequently communicated to stakeholders.

7.5 Theoretical Contributions

The conceptual framework in this study was built on existing theory. In the three case studies, the brand audit, brand identity, and brand position steps applied well to the conceptualized internal corporate brand building process. However, the study supported neither an extended identity (Aaker, 1996), nor multiple identities (ibid) or multiple positions (Keller, 2003) for the corporate brand. The terminology used by the firms did not always match that used in theory. For instance, brand identity was referred to as the brand platform. Concerning the brand team, the findings support Harris and de Chernatony's (2001) idea that brand teams for the corporate brand are large and heterogeneous. This study also found that the brand team could be divided into a core brand team, which is active throughout the process, and an extended brand team, in which individuals are less involved in the process. One of the entities found in the extended brand team was a reference group consisting of employees; this was not found in the literature. This study also discovered that the brand champion in the internal corporate brand building process was the marketing manager (supported in two of the three cases). Therefore, the CEO did not have the central role for the corporate brand as suggested by Balmer and Gray (2003).

7.6 Suggestions for Future Research

This study looked at the internal corporate brand building in service firms—i.e., the planning phase of the process. An obvious extension would be to look at the implementation phase of the corporate brand building process since implementation was excluded from this study. Implementation can be divided into internal (i.e., toward employees) and external (e.g., toward customers). Evidence from the cases of Skandia and Svensk Fastighetsförmedling revealed that the internal implementation of the brand is a major challenge in the brand building process. Future studies could also focus on how the brand is implemented toward customers. Such a study would benefit from a dual perspective—i.e., of both the firm and the customer. Do customers perceive the corporate brand in the way the company wants them to perceive it? Moreover, a suitable approach to further investigate the details in the corporate brand building process could be achieved through action research. It can be expected that it is difficult (or sensitive) for respondents to describe all the steps and activities that occur in the corporate brand building process. If the researcher could be part of the process him- or herself, a more detailed description of the phenomenon would be possible.

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Appendix 1: Interview Guide

General Information

Respondent

- name
- years in company
- position, years on current position
- work assignments
- role in working with the corporate brand

Company

- name
- mission/vision
- main products
- customers, -segments
- main stakeholders
- history (how old, important events such as fusions, breakthroughs, new focus)
- international markets, the same corporate brand?

Internal Corporate Brand Building Process (RQ 1)

General

- what brands does this firm promote? Logotypes?
- how has the corporate brand changed over time?
- who is ultimately responsible for the corporate brand?
- national/international responsibilities for the corporate brand?
- is the planning/building of the corporate brand a sub-activity of other strategic activities or is it a distinct activity itself?

- what is the role of the corporate brand in this firms' brand portfolio? (the only brand?)
- how does the firm's brands relate to the corporate brand?
- what is the importance of the corporate brand for this firm?
- how is corporate brand building generally structured within the firm? Level of formalization?
- what steps do you conduct when building/planning the corporate brand before implementation? (write down steps on separate table – for follow up questions)
- are steps/activities performed in a certain order? How?
- what is the general duration of different steps?
- how frequent is the corporate brand building process as a whole conducted?

Brand Audit (situational analysis)

- is a corporate brand audit conducted in the corporate brand building process?
- who is responsible for the brand audit?

- who is involved in the brand audit?
- what information is collected?
- how is information collected?
- how is strategic information shared among individuals involved in building the brand?
- when is the brand audit conducted? (in relation to other activities)
- what are the challenges in working with the corporate brand audit?

Internal Factors

- what main internal factors do you consider for the corporate brand audit, and why?
- mission/vision?
- organizational culture?
- brand architecture?
- other?

External Factors

- what main external factors/actors do you consider when planning the corporate brand, and why?
- customers?
- competitors?
- other?

Brand Identity

- what does the brand stand for?
- is there a common view of what the brand stands for among individuals involved in the process? Other employees?
- how is a common view of the core nature of the corporate brand across individuals and functions achieved?

Associations (what type of associations dominates the identity?)

- product (e.g., product scope, product attributes, quality/value, uses, users, country of origin)
 - person (e.g., sincerity, excitement, competence, sophistication, ruggedness)
 - organization (e.g., heritage, assets and capabilities, people, values and priorities, local vs. global orientation, citizenship, firm performance / size)
 - symbol
- what functional values and benefits does the corporate brand deliver to the customer?
 - what emotional values and benefits does the corporate brand deliver to the customer?
- (value = aggregated benefits)

Which of the associations and values characterize the...

- core identity? (timeless essence of the brand, associations representing beliefs & values)
- extended identity? (adds flexibility, texture and completeness to the brand)
- who is involved in deciding the brands' identity? Who is in charge?

Brand Position (part of the brand that is to be actively communicated)

- do you have one or several corporate brand positioning statements?
 - written? Understood by all employees?
 - communicated to whom? Internally? Externally?
 - different for different customer segments?
 - different for different stakeholders?
 - who is involved in defining the corporate brand position?
-
- other steps/activities besides brand audit, brand identity and brand position?
 - who, what, when?

The Brand Team (RQ 2)

- who are involved in the internal corporate brand building process?
 - are different individuals involved at different steps?
 - which individuals are involved in which steps?
 - who is responsible for different steps?
 - which individuals are most active in building the corporate brand?
 - are external consultancies involved in the process? How? When? Why?
-
- is there information you wish to add with regards to what we have discussed?
 - do you have documents about the corporate brand and or the brand building process that you can share?
 - are there other individuals you think have valuable information about this area?
 - will it be possible to contact you for eventual follow up questions/clarifications through phone or e-mail?

Thank you for the interview!

