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Department of Industrial Management

***BRAND IDENTITY AND IMAGE IN B2B FACTORY
AUTOMATION CONTEXT***

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| Keywords: B2B-branding, brand identity, brand image. | |
| <p>The goal of this thesis is to study how a solution-oriented business-to-business company can utilize its brand as a strategic asset by using the concepts of brand identity and brand image. The study analyses the intended brand message (identity) contrasting it with the customer perceptions (image) to reveal points of parity and congruence. The study uses a case company as an example and discusses the benefits of brand management as well.</p> <p>Internally, brands can be studied by performing a set of interviews amongst top and middle management. The interviews need to consider the various elements of branding from associations to differentiation and value creation. Customers' perceptions can be reliably studied via online survey designed to compare the intended brand message with customers' experiences. From the perspective of industrial management the incentive for brand development lies in both monetary and managerial benefits. In literature the four essential benefits of B2B branding are risk dilution, efficiency of communications, strategic direction and price premiums.</p> <p>As a result, suggestive models for brand identity and image were devised and compared. The Case Company perceives itself as a technically oriented open-integrator, with a strong focus on reliability and customer service. Customers agree with the picture in general, but there are some points of parity as well: they are quite satisfied with the company and perceive it as reliable and providing the promised value. The problematic areas revolve around customer interaction and maintaining the leadership position. The results confirm previous findings in B2B branding theory, where the reliability and credibility of the supplier are in major role. The results also suggest a holistic, corporate approach on branding.</p> | |

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| <p>Tämän tutkimuksen tarkoituksena on luoda malli, jonka avulla ratkaisuja tuottavat B2B-yritykset voivat hyödyntää brändiään strategisen johtamisen välineenä käyttäen brändi-identiteetin ja brändikuvan käsitteitä. Tutkimuksessa haluttua brändiviestiä (brändi-identiteetti) analysoidaan ja verrataan sitä asiakkaiden näkemyksiin (brändikuva). Lisäksi tarkastellaan brändijohtamisen hyötyjä. Käytännössä tutkimus toteutetaan käyttämällä case-yritystä.</p> <p>Sisäisesti brändiä voidaan tutkia käyttämällä haastatteluja, jotka käsittelevät brändäyksen monia elementtejä mielikuvista arvonluontiin ja erottautumiseen. Asiakkaiden näkemyksiä voidaan tutkia internet-kyselyn avulla – tarkoituksena on tällöin verrata haluttua brändiviestiä asiakkaiden kokemuksiin. Teollisuustalouden näkökulmasta brändijohtaminen perustuu johtajuudellisiin ja taloudellisiin hyötyihin. Kirjallisuuden mukaan B2B-brändäyksen neljä päähyötyä ovat riskien vähentäminen, tehokas kommunikaatio, strateginen suuntaus ja hintapreemiot.</p> <p>Työn tuloksina brändi-identiteetille ja -kuvalle laadittiin ehdotelmamallit vertailua varten. Haastattelujen mukaan case-yritys on teknisesti orientoitunut avoin integraattori; yhtiön piirteinä ovat lisäksi luottamus ja asiakaspalvelu. Asiakkaiden kokema brändi rakentuu samoista elementeistä mutta kuvissa on myös eroavaisuuksia. Asiakkaat ovat yleisesti tyytyväisiä case-yritykseen, pitävät sitä luotettavana ja näkevät sen luovan lupaamaansa arvoa. Ongelmalliset osa-alueet liittyvät yleiseen asiakasvuorovaikutukseen ja tekniseen johtajuuteen. Tulokset vahvistavat B2B-brändäyksen teorian aikaisemmat havainnot, jotka korostavat toimittajan luotettavuutta ja uskottavuutta. Ne alleviivaavat myös kokonaisvaltaisen, yritysperusteisen, brändäyksen merkitystä.</p> | |

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Although now completed, this master's thesis has been only one of the first steps in the journey I am eagerly looking forward to. As a conclusion, for an industrial management engineer such as I the single most important lesson on branding has been what the legendary brand designer Walter Landor famously stated:

Products are made in the factory, but brands are created in the mind.

Mikko Tuomaala,

Tampere 27.1.2014

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1 INTRODUCTION

1.1 Background

The modern, classical model of brand management first surfaced in the 1930s as the P&G executive Neil McElroy composed his famous *McElroy memo* in 1931 suggesting a brand-focused management system to save the poorly led company (Aaker & Joachimsthaler 2000). As for now, brand management has also seen its rise in the business-to-business (B2B) environment as a valid and important aspect of marketing (Kotler & Pfoertsch 2006; de Chernatony, McDonald, Wallace 2011). The subject has been widely studied for the last twenty years by first attempting to utilize theories originating from consumer markets (Aaker 1991; Keller 1993) and later on developing more sophisticated theories especially for industrial markets (Bendixen, Bukasa, Abratt 2004; Kuhn, Alpert, Pope 2008; Leek & Christodoulides 2012) and finally for the whole organization, namely corporate branding (Ind 1997; de Chernatony 1999; Hatch & Schultz 2003; Schultz, Antorini, Csaba 2005).

Despite of its popularity, B2B brand management still remains to a degree as a scattered field of study with – according to Keränen, Piirainen and Salminen (2012) and Kuhn et. al. (2008) – only limited knowledge on its importance and scarce attempts to create a common theoretical base. However, there is a substantial body of research regarding basic subjects of branding such as brand identity, brand image and brand equity (see for example Aaker & Joachimsthaler 2000, Kapferer 2008, de Chernatony 2006 or de Chernatony et. al. 2011). The corporate aspect important in the B2B context has been examined by for example Schultz et. al. (2005), Balmer (2001) and Hatch & Schultz (2001, 2003). Despite of the large scope, the research gives little practical advice or cases on implementing the concepts in the field of solution-oriented B2B businesses where an evident need for brand management is present. Global markets and tense competition drive the need for differentiation (Kotler & Pfoertsch 2006) whereas brands create competitive advantage (Kotler & Keller 2012) and also function as crucial relationship-builders by reducing buyer's perceived risk (Hutton 1997; McQuiston 2004; Muylle, Dawar and Rangarajan 2012).

All this said a practical study on managing the corporate brand in the context of solution-oriented B2B markets using the basic concepts of brand identity and brand image with supporting views from branding incentives and benefits is indeed a fresh perspective in the field of industrial management. The baseline for the study is very relevant since the congruence between brand identity (brand as the company wants to communicate it) and brand image (brand as the customers perceive it) is *the* key perspective for brand management in any sector (Aaker & Joachimsthaler 2000; de Chernatony 2006; Keller 2008; de Chernatony et. al. 2011). The approach of aligning image and identity has been utilized in the consumer-markets by for example LEGO (Schultz & Hatch 2003). This study will, then, not only provide a platform for solution-oriented B2B businesses' to begin their work on brand management but also provide a base for further research on the topic gathering together the major themes involved and fitting them into the appropriate B2B perspective.

Especially because of the B2B viewpoint, this study views the brand phenomenon from the corporate perspective albeit with certain limitations. Traditionally corporate branding is understood as the practice of using one master brand throughout the range of offerings (Aaker 2004) and thus eventually understanding the whole organization as the brand (Schultz et. al. 2005; de Chernatony 2006) making the brand management essentially culture management (de Chernatony 1999). In practice corporate branding is, therefore, about employees living the brand promise (Helm, Liehr-Gobbers, Storck 2011, p. 64) and it usually focuses on creating a favorable reputation, which is the sum of company-related aspirations of every stakeholder (Brown, Dacin, Pratt, Whetten 2006). Furthermore, the organizational culture itself is a vastly deep phenomenon (Schein 2009) as well as the identity-related concepts relevant in corporate branding such as corporate identity (Balmer 2001a; Coleman 2011).

In the scope of this study is not viable to exhaustively study corporate branding from the cultural and behavioral perspective but to create a simple and sensible model to help solution-oriented B2B companies manage their brands using the basic concepts of identity and image. In practice this means that this study maintains the corporate brand viewpoint but abstains from deep cultural or identity-related analyzes creating more of a general managerial perspective focusing on how to utilize the brand as strategic asset. Because of this focus, the

concepts of *corporate brand identity* and *corporate brand image* or are not discussed because of their cultural and behavioral focus. Consequently, the basic concepts of *brand identity* and *brand image* will be utilized while acknowledging their strong link with corporate-level aspects, since in the field of B2B brand associations are usually focused on the company, not individual offerings (Aspara & Tikkanen 2008; Kuhn et. al. 2008). Additionally, this research is conducted from a perspective of a middle sized factory automation company hereon referred as the *Case Company* or shortly *CC*. The range of offerings consisting of different factory-automation solutions functions as the perspective for the *CC* brand. More information about the company and its offerings can be found in chapter 4.2.

1.2 Objectives and Research Questions

The goal of this research is to study how a solution-oriented B2B company can utilize its brand as a strategic asset. Particularly the analysis is focused on how the company internally perceives the brand and contrasting the picture with customer insights. The financial and strategic incentives for brand management are also discussed by studying the various benefits of possessing a strong (corporate) brand. This study, then, approaches the company brand from the perspective of strategic management. Major attention is paid on the concepts of brand identity and brand image; what are they and how are they constructed? And how can they be utilized in strategic management? Another area of focus is the incentives of brand management: what are the main strategic and financial benefits of brand management and possessing a strong brand? The research questions, objectives and methods are presented in table 1.

Table 1: Research questions, objectives and methods

| | Research question | Objective | Method |
|------------|--|--|---------------------------------------|
| RQ1 | How a solution-oriented B2B brand is effectively managed using the concepts of brand identity and brand image? | To understand what the concepts mean and how they can be utilized to manage a B2B brand. | Theory framework, interviews, survey. |
| RQ2 | What incentives and benefits are there to justify brand management investments in the B2B context? | To understand and justify the investments in brand management. | Summary of findings in theory. |

Additionally, suggestive models for brand identity and image are devised and compared to help the Case Company further develop the company brand and better utilize it as a strategic asset.

1.3 Research Methodology

The empirical research is conducted in two phases grounded on a model based on findings in the theory. First, 11 internal, semi-structured interviews are conducted with selected top and middle managers in order to understand the current CC brand identity and the firm's own conceptions regarding to branding. Secondly, an online survey is distributed to a selected group of key customers providing a realistic insight on the current situation of the company's brand image. The qualitative approach for brand identity analysis is recommended by for example Aaker & Joachimsthaler (2000) and Wheeler (2006) and quantitative approach on brand image by for example Brace (2008).

This research is essentially *business research* in nature. Carson, Gilmore, Perry and Gronhaug (2005, p. 52) describe the business research as often focusing on for example carrying out a feasibility study or examining a specific company problem. Business research, as all scientific research can be viewed in a continuum ranging from positivistic (quantitative) research to interpretivistic (qualitative) research. Interpretivism seeks to build a theory as a result of empirical observation. Prior theories can be used as a foundation and they might be introduced at appropriate phases. These prior theories may guide or frame the research but the research cannot be about testing this prior theory – instead it is seeking an actual reality in a specific setting. The goal of interpretivist methodologies is to achieve in-depth understanding to *how* and *why* questions in relation to the phenomenon investigated (Carson et. al. 2005, pp. 62-65). Put it simply, qualitative research helps to understand the object, for example a company or client and explain the reasons behind its behavior and decisions using a limited, rigorously analyzed sample (Heikkilä 2010, p. 16).

In addition, this research is *case research* in nature meaning that it seeks for a range of different kind of evidence in the case setting which are then abstracted and collated for best possible answers to research questions. Case studies are usually qualitative in nature and characterized by using multiple sources of evidence (Gillham 2000, p. 1-2, 10). The approach of this study also makes the

results industry specific (Carson et. al. 2005, p. 38) meaning that the findings of this study can be carefully generalized to other similar companies within similar markets.

Positivist methods, on the other hand, are concerned about objective precision in measuring and they also offer more distance for the researcher to better judge the phenomenon studied (Heikkilä 2010, p. 16). A good example of quantitative (positivist) research is a force-choice, self-administered questionnaire (Carson et. al. 2005, pp. 62-63). Quantitative (or statistical) research deals with questions regarding to quantity and percentages and it requires a large and representing sample (Heikkilä 2010, p. 16). It is also notable that quantitative and qualitative research can be combined while “*constructing in-depth cases of specific phenomena, such as an individual firm’s marketing profiles*” (Carson et. al. 2005 pp. 62-63).

The qualitative approach in this research is justified, since managerial performance and activities within the organizations cannot be sufficiently studied within neatly arranged compartments in isolated and artificial settings (Carson et. al., 2005, pp. 65-66). Interview is the major source of information for qualitative research. Its purpose is to get to inside someone’s head and enter into their perspective to find out things such as feelings, memories and interpretations otherwise undiscovered (Carson et. al. 2005, pp. 73-74). Additionally, the quantitative approach is justified because of its appropriateness of studying a large group of respondents. It is also relatively cost-efficient and convenient. The combination of quantitative and qualitative studies can be utilized together for a holistic analysis and that, exactly, is how the methods are utilized in this study.

1.4 Structure

At first, theoretical aspects are discussed focusing on the different concepts related to branding such as B2B branding, brand architecture, corporate branding, services and solution branding and brand equity. These concepts function as the foundation for analyzing branding benefits and conducting the empirical research. The broad outlook for branding is necessary because of the complexity of automation solutions consisting of elements from project business, services and, of course, the physical products themselves. The brand identity model is devised according to the needs of solution-oriented B2B business along

with the concept of brand image. The topic of brand equity is briefly discussed to better understand the mechanisms of brand management benefits. After the theoretical outlook, a solution framework based on latest findings in literature is presented including the setting for empirical research. After conducting the research, the results and conclusion are discussed and a summary is devised along with suggestions for CC on how to proceed.

1.5 Limitations

The research is conducted from the academic perspective of industrial management and more specifically, from the viewpoint of solution-oriented B2B business. Thus the brand is viewed mostly as a profit-providing asset and also as a strategic concept closely linked to corporate strategy. In practice this means that the study will not discuss the hands-on brand building activities as much as it develops a strategic framework to utilize the value residing in it. As noted earlier, this approach also delimits the exhaustive analysis of concepts related especially to corporate branding such as organizational (or corporate) identity and organizational culture. The Case Company has only one master, corporate brand which is utilized throughout the range of offerings. In this research the CC brand is studied from the perspective of automation-solution customers leaving out other stakeholders such as shareholders suggested by Einwiller & Will (2002) and Balmer (2001b). Thus the terms brand identity and image will be utilized to refer to the identity and image of the CC corporate brand from the perspective of customers of certain offering range.

The empirical research has similar delimitations. The CC brand identity is analyzed from the perspective of 11 top and middle managers supposing that their views to at least some degree encapsulate the general consensus of the organization. Similarly the brand image is viewed from the perspective of automation solution customers, represented by a sample of key customers. The online distributed survey lacks some of the elements vital to brand image research such as monitoring the respondent for non-verbal cues or a deeper focus on open ended answers. Further limitations of this study include a choice of not analyzing any competitors and the current brand architecture of CC is embraced as such leaving the topic with minor attention. Additionally, despite of the corporate perspective, no deep culture analysis can be conducted.

2 BRAND MANAGEMENT

2.1 Brand as a Concept

Brand can be defined in multiple ways but all of the various definitions focus on three main dimensions: recognition, associations and differentiation. Wheeler (2006, p. 4) sees brand as *“the promise, the big idea, and the expeditions that reside in each customer’s mind about a product, service, or company”*. The most robust definition is held by the American Marketing association: *“[Brand is] a name, term, sign, symbol, or design, or a combination of them, intended to identify the goods or services of one seller or group of sellers and to differentiate them from those of competitors”* (Kotler & Keller 2012, p. 241). A similar definition is also presented by for example Aaker (1991, p. 7). De Chernatony et. al. (2011, p. 158) see the brand as *“a cluster of functional and emotional values that enables an organization to make a promise about a unique and welcomed experience”*. They also add that this definition is valid in the B2B realm as well. De Chernatony et. al.’s (2011) definition will be, therefore, used throughout this study.

The definition of brand can be viewed from many different perspectives but brands also have many different – and complementary – functions. According to de Chernatony & McDonald (1992, pp. 31-41) and de Chernatony (2006) brands have at least eight functions. Brand is:

- A sign of ownership
- A differentiation device
- A communicator of functional capability
- Device for customer self-expression
- Risk reducing device
- A shorthand communication device
- A legal device
- A strategic device

The various functions of the brand point out to what can be called as *the branding iceberg* which highlights the fact that brand is a very rich concept that can be utilized as a particularly useful management tool. The iceberg is presented in picture 1. In many cases the first impressions regarding to branding

revolve around “*names and logos differentiating the company*” or “*a guarantee of certain quality*”. The point of the iceberg is to illustrate that brand goes way beyond these aspects promoting internal consistency and deep understanding of the brand. The two critical aspects that shape the brand the most are the core competencies of the company and the organizational culture: core competencies enable the managers to preserve the brand’s functional advantage while organizational culture characterizes the corporate personality that reflects to the brand (de Chernatony 2006, p. 11-12). As in the case of the iceberg, the most of the brand is not visible as such but needs to be deciphered.



Picture 1: Branding iceberg (Davidson & Keegan 2004, image: Forman 2013)

Apart from the holistic cultural perspective, from the financial viewpoint the primary need behind branding is to avoid the pitfall of price competition which is both destructive and inevitable in the absence of differentiation (Aaker & Joachimsthaler 2000, pp. 14-15; de Chernatony et. al. 2011, p. 184). Brands eliminate price competition by enabling the customer to assign the performance of the product to a certain manufacturer or distributor thus allowing the customer to evaluate similar products in a different manner depending on how it is branded.

Brands are, therefore, designed to make buying simpler: when the quality matches the expectation, buyers can easily choose to product again. Loyalty produces predictability of cash flow, creates a barrier of entry and increases willingness-to-pay. In addition to the distinctive qualities, brands also offer legal protection against competition trough registered trademarks, patents and copyrights. In short, branding is a powerful way to maintain competitive advantage. (Kotler & Keller 2012, p. 242)

2.1.1 B2B-Branding

Branding has used reside in the world of business-to-consumer (B2C) but now it is the job of every business (Wheeler 2006, p. 4). Blombäck (2005, p. 23) summarizes why B2B organizations are interested in branding: *“it is the idea of perceived value connected to an actor, offer or organization that makes branding interesting for industrial sellers”*. Kotler and Pfoertsch (2006, pp. 1-3) add that many managers of B2B-companies have long pushed branding back to the world of B2C and have justified their attitude by emphasizing the rational buying process of B2B-industry. Brands, however, serve the exactly same purpose in B2B-markets which they do in B2C environment – they, as noted earlier in chapter 2.1, identify and differentiate a product or service from similar offerings by promising a certain quality and performance thus reducing the risk and complexity of buying decisions.

Keller (2008, pp. 11-12) points out, interestingly enough, that a strong B2B brand can provide valuable assurance to business customers, who in many cases are putting into the hands of supplier not just their personal career but the future of the company as well. This view is also supported by for example de Chernatony et. al. (2011, p. 165). Van Riel, de Mortanges and Streukens (2005), Burmann, Jost-Benz and Riley (2009) and Bendixen et. al. (2004) among others argue that brands do equally create value – in the form of brand equity – in B2B context thus lifting brand management up as a prominent practice for every industrial company.

B2B branding is usually focused on the whole organization. De Chernatony et. al. (2011, p. 159) argue that organizational brand names commonly bear the name of the company enabling a wide range of products from same company benefit from its corporate identity. The brand value is, then, manifested in two factors:

first when the supplier is selected (company brand) and later on, in the added value of the specific products or services. Indeed, it is not uncommon in B2B marketing for buyers to talk about suppliers as brands. The reasons behind this phenomenon are various. From an adjacent field of marketing research Vargo and Lusch (2004) argue that company's focus should be on solving customers' problems, not in the physical product per se. Similarly, according to Mudambi, Doyle and Wong (1997) the services the company offers are usually included in the augmented part of physical offering. These two perspectives suggest a holistic, solution-based approach on offerings highlighting the company providing them. Solution branding will be further discussed in chapter 2.1.4. The main differences between B2B and B2C branding are listed in table 2:

Table 2: B2B and B2C branding differences (Mudambi 2002, p. 527; de Chernatony et. al. 2011, pp. 156, 159, 165; Keller 2008, p. 648)

| B2C brand management | B2B brand management |
|---|--|
| Branding at the product level | Branding at the corporate level |
| Emotions in moderate or high role | Generally more rational, emotional aspects in lesser role |
| Customer perception of functional, emotional and self-expressive benefits of brands | More customer emphasis on risk reduction – less emphasis on self-expressive benefits |
| Less detailed product information, usually no direct communication. | Highly detailed product information and face-to-face communication |
| Customer (individual) focus in selling | Organization (company) focus in selling |

Although B2C and B2B branding have many similarities they do differ as well. Mudambi (2002, p. 527) explains the reasons behind the differences by pointing out to the divergences in buying processes of B2B and B2C. Organizational buyers tend to have more complex decision processes and perceive different things as important. This view is also supported by for example Kuhn et. al (2008). One of the key differences is also mentioned by Blombäck & Axelsson (2007) who point out that in the B2B realm the focus is not in the physical offerings per se but the ability to deliver them.

Despite of its popularity among various industries (Wise and Zednickova 2009, p. 5) the B2B branding scene is far from total clarity. Even though a substantial

number of academic publications regarding to B2B-branding does exist, the subject itself still remains fragmented and has areas with limited or inconclusive research warrant and there is, furthermore, a significant body of researches having a concern for the need for systematic research on B2B branding. It is also notable that most of the research in B2B field rests on findings in B2C area having a lack of longitudinal aspect as well (Keränen et. al. 2012, pp. 404, 408). Kuhn et. al (2008) argue similarly that there is no framework for B2B businesses to evaluate brand equity – the one of the most crucial elements of brand management. By suggesting such a model Kuhn et. al's (2008) work in the field can be seen, then, as a pioneer attempt. Similar endeavors on defining or measuring brand equity in B2B context are made by for example Leek & Christodoulides (2012) and Bendixen et. al. (2004).

Keränen et. al. (2012 p. 408-409) continue to argue that two basic approaches for the topic of B2B branding have been utilized: 1) The emphasizing of the similarities of B2B with B2C focusing in consumer psychology and emotional values and 2) the emphasizing of the differences of business and consumer markets where a distinguished theory framework for B2B is necessary. They note that theory building can indeed evolve by borrowing a theory from a similar field but the method has its limitations. Furthermore, they emphasize the vast differences between B2B and B2C such as complexity of buying processes, different communication channels and longer-term relationships.

Keränen et al.'s (2012) perspective and other critique has to be kept in mind while conducting this study. Many concepts presented later on do have their foundation in the B2C world or are otherwise still subjected to further research. The B2C-based theories are subjected to critical evaluation and also supplemented with emerged findings from B2B-research. Because of the lack for a comprehensive B2B brand equity model, this study will present one B2C-based model from Aaker (1991) with critique from Kuhn et. al. (2008) and Leek & Christodoulides (2012). Additionally, despite of a body of B2B brand management studies does exists, the research conducted in different businesses than Case Company's – the highly complex and solution-oriented nature of factory-automation systems is quite different to for example industrial bearings. As a conclusion, de Chernatony et. al. (2011, p. 165) point out that despite the

differences of B2B and B2C managers do not need a whole new theory on branding – just some fine tuning.

2.1.2 Brand Architecture

Behind the brand architecture is the concept of brand portfolio which simply includes every brand the company manages (Aaker 2004, p. 16). Consequently Aaker & Joachimsthaler (2000, p. 102) define brand architecture as following: *“brand architecture organizes and structures the brand portfolio by specifying brand roles and the nature of relationships between brands and between different product-market contexts”*. They also add that well-managed brand architecture can create clarity, synergy and leverage opposing diffused focus, marketplace confusion and brand-building waste (Aaker & Joachimsthaler 2000, p. 102). As a conclusion brand architecture gives each brand an individual role while keeping in mind that together they deliver a coordinated set of answers to key customer questions (Muylle et. al. 2012, p.71).

Kotler & Keller (2012, p. 261) list the three basic branding strategies (architectures). Similar but little more detailed models are also presented by Kapferer (2008, pp. 348-352) and Aaker & Joachimsthaler (2000, p. 105):

- **Individual or separate family brand names (house of brands).** This strategy is especially useful in consumer markets, where one company manufactures many different products. A major advantage of this strategy is that it covers for failures – if a single product fails or appears as low quality the company has not tied its entire reputation to it.
- **Corporate umbrella or company brand name (branded house)** strategies are used by many firms, such as Heinz or GE. They use the corporate brand as an umbrella across their entire selection of offerings. In this case the developmental costs are lower and sales of new products are likely to be strong if the umbrella brand is prominent.
- **Sub-brand name** combines two or more of the corporate brand, family brand or individual product names. The company name legitimizes and individual name individualizes the new offering. An example of this

strategy is Kellogg's Rice Krispies where Kellogg's is the corporate brand and Rice Krispies function as the individualizing part.

Kotler & Keller (2012, p. 261) and Aaker & Joachimsthaler (2000, p. 105) also suggest a two-fold approach to branding by introducing the concepts of *house of brands* and *branded house*. The use of separate family brand names has been named as house of brands-strategy while the use of a corporate brand refers to branded house. These two strategies (architectures) represent the two extreme ends of a brand relationship continuum. Keller (2008) suggests that in B2B context brands usually consists of the company name and a descriptor. Muylle et. al. (2012, p. 60, 67) suggest a model of *B2B branding paradox*: the more standardized products are, more complex architecture is necessary and on the other hand, more complex the products, more simple the architecture.

2.1.3 Brand Equity

Tuominen (1999) argues that brand equity has emerged as a central topic in marketing management research because of the need to understand better the tangible and intangible values of brands. De Chernatony et. al. (2011, p. 448-449) argue that three main approaches exists on the topic. The brand equity can refer to: 1) Brand equity as incremental cash flow resulting from associating a brand name with a product (Farquhar 1989; Simon & Sullivan 1993), 2) Brand equity as value-added perspective conceiving brand equity as the value added to the core product or service associating it with brand name (Aaker & Biel 1993) or 3) Brand equity as a result of consumer responses and behavior to the marketing of a particular brands (Keller 1993).

Brand can be seen as adding value to the product. But what does the term *value* actually stand for? Two main trains of thought can be noticed in the discussion: either the financial value of the brand as measured on the balance sheet or a non-tangible addition brand gives to a product resulting in greater customer value and a price premium. Mohsin (2009, p. 62) suggests, therefore, that *brand value* and *brand equity* are two different yet deeply interlinked terms. According to Miller & Muir (2005, pp. 119-234) brand's value (in monetary terms) can be calculated by methods of historical, price premium, royalty payments, market and future earning valuation. Each method has its strengths and weaknesses but they all fail to describe the direct causality of marketing actions and brand's financial

value. For a detailed analysis on the monetary value measurement of brands, see for example Salinas (2011).

While discussing the benefits of brand management, this study focuses on the brand equity, not its (monetary) value. Kotler & Keller (2012, p. 243) define brand equity simply as “*the added value endowed on products and services*”. Similarly, Aaker & Joachimsthaler (2000, p. 17) see the brand equity as “*the brand assets linked to a brand’s name and symbol that add to a product or service*”. These definitions are also confirmed by a comprehensive literature outlook on the concept of brand equity by Tuominen (1999). The literature presents many models for understanding brand equity in the field of B2C (Aaker 1991; Keller 1993) and B2B (Kuhn. et. al. 2008; Leek & Christodoulides 2012). Since analyzing brand equity is not in the core of this study, the topic receives only a general outlook with brief discussion of one particular model. Although Keller’s (1993) customer-based model is widely used, according to Keränen (2009, p. 15) the most cited version in academic literature is Aaker’s (1991) model. The model includes four dimensions: *brand awareness*, *perceived quality*, *brand associations* and *brand loyalty*.

Brand awareness is the ability of a buyer to recognize that a certain brand belongs to a certain product category. It involves a continuum where in one end buyer is not sure whether product belongs to a certain category and another end where the buyer has a belief that this product is the only one in certain category. The brand that receives the first place in recall test has achieved top-of-mind awareness. The most prominent advantage of awareness is that people tend to engage in more positive ways to things that they like (Keller 1993; Aaker 1991, p. 61-65). *Perceived quality* can be defined as the customer’s perception of the overall quality or superiority of a certain product or service in relation to others. It is the intangible, overall feeling the customer has about the brand. Because of its nature perceived quality is also a summary construct and thus difficult to be objectively determined (Aaker 1991, pp. 85-86). Bendixen et. al. (2004) argue that perceived quality is actually the most important factor in brand equity formation in B2B sector. The view is also supported by Mitchell, King and Reast (2001). *Brand associations* are any mental linkages to the brand and they may include, for example, product attributes, customer benefits, life-styles, competitors, product classes and countries-of-origin. The brand positioning is

created via associations and how they differ with from competitors (Keller 1993, p. 3-6). *Brand loyalty* measures the attachment that a customer has toward the brand (Aaker 1991, pp. 39-41, 46-49). Mitchell et. al. (2001, pp. 421-422) argue that in the organizational context loyalty is based on quality, reliability, performance and service.

Furthermore, Kuhn et. al. (2008, pp. 48-50) have studied another B2C-based brand equity model – Customer-based brand equity model (Keller 1993) – and list the main features of B2B branding not presented in earlier models. Although the critique is not directed to the Aaker's (1991) model, the suggestions are principal in nature and since there is no reason to suspect why they would not apply to it as well. In B2B branding:

- Greater emphasis is given to the corporate brand.
- Manufacturer-related associations are in many cases identical to product associations suggesting a corporate-centered view.
- Relationship with the company happens primarily through relationship with representatives and not through product brands.
- Product performance features are the dominating brand associations.

In addition, Leek & Christodoulides (2012) also make case for the importance of situational factors (type of product, criticality of purchase) and environmental factors (economic situation, market situation) in determining brand equity. In this study the brand equity model is not directly utilized but it is the theoretical basis for understanding brand management benefits. For further analysis on brand equity, see for example Keller (1993), Aaker (1996), Feldwick (2002) or Kuhn et. al. (2008).

2.1.4 Service and Solution Branding

There are many successful service brands such as Hertz, Manpower, Visa, and Harvard. The major difference with products and services is that the latter is, in a sense, invisible thus making them difficult to illustrate and evaluate (Kapferer 2008, p. 103-104; de Chernatony et. al. 2011, p. 208). Zeithaml, Parasuraman and Berry (1985) list rest of the main between products and services: *heterogeneity*, *inseparability* and *perishability*. *Heterogeneity* refers to the high variance in the performance of services, *inseparability* to the simultaneous production and consumption and *perishability* to the fact that services cannot be

stored. Because of their nature, service brands need to use slogans to define their behavioral guidelines giving the customer ability to be dissatisfied if not properly delivered (Kapferer 2008, p. 104). Following the logic, Kapferer (2008, p. 105) discusses the ramifications: "*in services, there is no difference between the internal and the external. In other words, it is what is behind the brand that makes the brand*". The internal and cultural aspects of branding are further discussed in the chapter 2.1.5. The consequence of this approach is that the brand is constructed internally. This is also a great risk for the brand (Kapferer 2008, p. 105). For service brands, word of mouth is crucial way of learning about the offering (de Chernatony et. al. 2011, p. 212). Service brands are also mainly performed by people thus making it difficult to ensure that a certain standard of service will be delivered by two different employees. The perception of service quality also varies according to the individual demands and expectations of the customers (de Chernatony et. al. 2011, p. 213).

Marquardt, Golobic and Davis (2011) argue, by referring to a large body of earlier research, that existing brand literature on service branding is focused on the B2C context. In practice service brands are a construct of customer perceptions on service quality, the people standing behind the services and quality of the relationship between supplier and customer. Vargo & Lusch (2004, p. 11) add that from the service-centered perspective the consumers are always involved in the production of value. They must learn to use, maintain, repair and adapt the appliance to their needs and usage situations. From this perspective, the viewpoint is moving towards understanding *the continuous process* -perspective in which separation of production and consumption is not a normative goal. Service branding also focuses on core competencies as key providers of competitive advantage. The tangible goods are then viewed as serving as appliances for service provision rather than ends themselves (Vargo & Lusch 2004, p. 12-13).

To effectively fight against the issue of intangibility a service brand needs as many physical elements as possible such as staff uniforms or office décor. A good example of this is the bright red color of Virgin Airlines. Oftentimes the first signals when coming to contact with the brand are very important such as the appearance of reception area or the way employees dress. The primary function of the reference points is to prevent the service as being perceived as a

commodity (de Chernatony et. al. 2011, p. 223-224). As a conclusion Murray and Schlacter (1990) argue that because of complexity in purchasing, branding can be seen even more important in services than goods because of higher risk involved.

Solutions are, similarly, characterized by high complexity and intangible service elements indicating high importance for the role of branding, although solution branding still remains as an unexplored topic (Jalkala & Keränen, 2014). Intense competition has driven firms from different industries to offer customer solutions with strong connection to the new service-dominant logic. A solution can be defined as a customized and integrated combination of goods and services designed to meet customer needs (Vargo & Lusch 2004; Davies, Brady, Hobday 2006; Tuli, Kohli, Bharadwaj 2007). Solution offerings are high in monetary value and have a key role in the customer's process placing a high importance on the purchase decision. Because of complex technical nature and high service-intensity a strong brand image can enable the customers to better comprehend and visualize the offering. Providers of integrated solutions need to begin by assessing the desired outcome for the customer and work the trace backwards to the products and services required to meet those needs. It is, therefore, crucial to obtain detailed understanding on customer's business activities as it operates the product through its lifecycle (Brady, Davies and Gann (2005; Jalkala & Keränen, 2014).

Jalkala & Keränen (2014) suggest that the four most important set of capabilities when marketing solutions are: 1) Capabilities in *business consulting*, 2) Capabilities in *systems integration* and *project management*, 3) capabilities in *operational service* and 4) capabilities in *value assessment*. According to Brady et. al. (2005) *business consulting* refers to the ability to develop business plans, design and build a system and maintain and operate it. *Systems integration* deals with designing and integrating system composed of internally or externally developed services, hardware and software. *Operational service* capabilities include maintaining, operating, upgrading and renovating a product thorough its lifecycle. Payne & Holt (2001) and Payne & Frow (2005) argue that *value assessment* refers to ability to estimate, demonstrate and document the monetary value of business benefits of the solution. The company should also quantify, what is the relative importance of the various attributes of the solutions.

Jalkala & Keränen (2014) propose that solution-oriented businesses tend to position their brands according to company capabilities instead of features such as product performance. Thus it is essential for the companies to define such capabilities and to be aware of the different possibilities of positioning the solution-oriented brand. For further analysis on positioning, see Jalkala & Keränen (2014), Davies et. al. (2006) or Tuli et. al. 2006.

2.1.5 Corporate Branding

The approach on branding in general has moved from traditional line (product) branding to corporate branding (Schultz et. al. 2005, p. 24) but despite of the direction "*corporate branding is one of those things that everyone believes is important, yet there is very little consensus as to what it means*" (Ind 1997, p. 2). Balmer (2001b, pp. 312-313) tries to sort things out and defines the corporate branding as practice of distilling and making known the attributes of organizations identity in the form of a branding proposition underpinning differentiation. He continues to argue that corporate branding can be seen as the organization covenant with its stakeholder groups and thus requires commitment from all levels of personnel.

As noted in the introduction corporate branding is, then, about viewing the whole organization as a brand and actively managing the image it communicates to various stakeholders. From that perspective the brand becomes essentially a cultural concept emphasizing the daily policies of the organization and giving plenty of attention to personnel as well (Schultz et. al. 2005, p. 24). Similar approaches to Balmer (2001b) has been presented by Einwiller & Will (2002) who emphasize, that actually *every signal* sent out by the company is related to the corporate brand not just signals directly related to it. Furthermore, Coleman (2011, p. 45) refers to a large body of research and states that corporate branding is a distinction from line branding in a sense that line branding tends to focus on customers, has little employee interaction and communicates values through advertising, distribution, user imagery, packaging and the physical product. In the context of corporate branding the values are largely enacted by employee behavior to a broad range of stakeholders. Thus de Chernatony (1999, p. 159) concludes "*internally brand management is becoming culture management and externally it is customer interface management*".

Corporate branding is about using the organization as the brand – but how does one utilize the value residing in it? From managerial perspective corporate branding can be understood as alignment of following perspectives (Hatch & Schultz 2001, 2003) illustrated in figure 1. Similar concept and analysis is conducted by for example de Chernatony (1999). The perspectives are:

- The origin and everyday practices of the organization (organizational culture)
- Where the organization aspires to go (vision)
- How the organization is perceived by external stakeholders (image)
- All nested up in perceptions on who the organization is (identity)

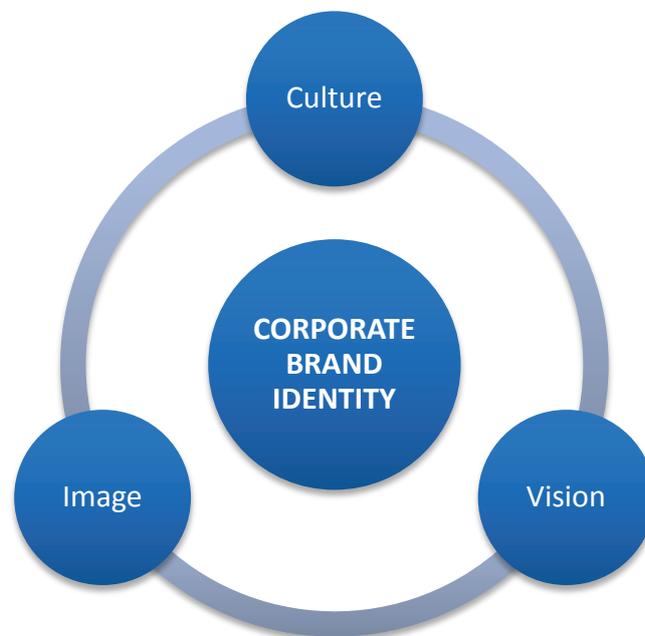


Figure 1: Corporate brand identity model by Shultz et. al. (2005, p. 24)

The conceptual idea is to align these perspectives since in the daily operations usually a gap emerges between each one. The vision-culture gap refers to management having a strategic direction which the employees do not understand or support. The case might also be that the expectations of the vision are too high resulting in cynicism. The image-culture gap occurs when the company “*does not practice what it preaches*” meaning that there is confusion among customers for what the company stands for. The image-vision gap relates to situation where the managers do not properly understand the stakeholders’ need towards the

brand creating a conflict between company vision and stakeholder image, that is, their expectations (Hatch & Schultz 2001, pp. 130-132).

In addition to the managerial perspective, corporate brand and corporate branding can be viewed from the perspective of brand architecture as well. From that viewpoint corporate branding refers to using a single master brand throughout the range offerings; approach also known as monolithic brand architecture, umbrella branding or the ultimate branded house (Aaker 2004; Wheeler 2006; Muylle et. al. 2012). As de Chernatony (2006, p. 62-64) suggests the systematic way of building brands begins with developing the core values of the corporate brand and then comparing these values with product brand values. Following the logic, in case of monolithic brand architecture, the values of the company actually become the values of the brand leading into corporate branding.

To further understand the situation Aaker (2004b, p. 10) points out that the corporate brand represents both the organization and the product. As a driver it will have a host of characteristics and programs that can help build the brand. These views are also supported by Aspara & Tikkanen (2008). Aaker (2004, pp. 270-272) argues that corporate branding is efficient since the organizational associations can be potential differentiators especially when the products are services are becoming more similar. Additionally, it creates economies of scale since there is less need for marketing products individually. According to Aaker (2004b, p. 14) corporate branding is similar to product branding since it, too, needs a statement of functional benefits. For example Dell offers customization and access to the latest technology. Finally, Aaker (2004, pp. 257-260) continues to argue that brand equity of sub brands in high tech business is suggested to be relatively weak in comparison with corporate brands. For example in the case of Dell their customers did not perceive buying Dimension, OptiPlex or Inspiron but simply Dell.

Aaker (2004, pp. 263-265) adds that corporate brand's function is to define the firm that delivers and stands behind the product or service. It may well be that corporate brand goes under the same name as product brands. This is the case in various high tech companies such as Dell, Toshiba, Mitsubishi, GE and Motorola. However, it might be useful to distinguish managing the corporate brand and individual product brand even if they have same name. This could be

achieved by for example highlighting certain elements of the corporate identity with certain offerings and markets. The brand architecture of firms mentioned earlier can be defined as *the ultimate branded house* where product brand consists of only the corporate brand and a description. Keller (2008, pp. 645-646) supports this view also and recommends it especially for B2B context.

Blombäck (2005, p.31) notes that although corporate brands and branding in general has gained a lot of attention there are certain types of corporate branding that have very little research warrant. In particular these are the companies with only one company brand and whose offer to a large degree equals to the company per se, indicating that the companies do not have the alternative of individual product branding. In practice these companies are found from service industry and subcontractors. Although not explicitly mentioned by Blombäck (2005) the highly complex nature of factory automation solutions fits quite well into this category. In practice, this further highlights the undiscovered nature of B2B-solution branding (Jalkala & Keränen 2014) highlighting the explanatory approach of this study.

In the context of this study, corporate branding and its related concepts are relevant because, although not deeply analyzed in this study, they act as a framework for understanding any branding in B2B context, namely, the highly important role of the organization and its daily operations. The CC brand is a corporate brand which is also used as such in the offerings, which on the other hand consist of many intangible elements and thus forces the branding to focus on company's daily operations in contrast of creating only product related associations.

2.2 Brand Image and Identity

2.2.1 Image vs. Identity

De Chernatony et. al. (2011, pp. 30-31) and Srivastava (2011, pp. 241-342) suggest that branding has two major elements: the intended message marketers want to communicate and the one the customer actually hears. While marketers optimize the intended message (brand identity) they should never lose sight of what the customers actually perceive (brand image). Srivastava (2011, pp. 341-342) also concludes that brand identity and image are essential for a strong

brand and that they are products of communication. Between the identity and image relies the *brand identity trap* which can occur unless both factors are at balance (for organizational perspective for the identity trap, see chapter 2.1.5). Therefore, the most important task for marketers is to ensure the customers perceive the brand as intended – and that, exactly, is one of the key tasks of this study. Because of the organizational emphasis of B2B branding there are some clarifications to be made regarding terminology.

The organizational concepts related to branding also relevant in this research (such as *corporate identity*, *corporate brand identity* or *corporate brand image*) revolve around identity and image but there is no general consensus about the exact definitions and numerous different frameworks have been created to explain the them (Balmer 2001a; Coleman 2011). In short, corporate identity can be defined as “*the mix of elements which gives organizations their distinctiveness*”. It includes elements from culture, strategy, structure, history, business activities and markets scope (Balmer 2001a, p. 254). Corporate brand identity, on the other hand, is the connection between stakeholders and corporate identity designed to foster associations and positioning by translating the identity into a collection of specific elements that distinguish the company such as values, symbols, artefacts, graphic design and so on. The distinction between corporate identity and corporate brand identity is between the emergent and deliberate message is explained by Blombäck & Ramirez-Pasillas (2012, pp. 7-8) referring to research by Balmer & Greyser (2002): “*while corporate identity includes a mix of personal, organizational and behavioral traits corporate brand identity corresponds to an identity type that encompasses specific features and values that are chosen and associated with a corporate brand to represent the company and its offer to the market*”. For a deeper analysis on the relationships between brand identity, corporate identity and corporate branding, see for example Coleman (2011) or Balmer & Grey (2003).

In the context of this study the terms *corporate identity*, *corporate brand identity* or *corporate brand image* will not be utilized. To clear out the terminology, in this research *brand identity* refers to the intended brand message comprising of both offering-related and organization-related elements directed to the automation solution customers while the *image* considers how the same group of customers actually perceive the brand. There is, then, an organizational distinction with the

definitions in comparison with the classic ones (such as Aaker & Joachimsthaler 2000 whose model focuses on single products) and, because of the focus of this study, a stakeholder difference between the corporate variants (such as Schultz et. al. 2005). Nevertheless, in principle they are well in line Aaker's (1995), Balmer's (2001a) and Blombäck & Ramirez-Pasillas' (2012) definitions creating a sensible consensus.

2.2.2 Brand Image

De Chernatony et. al. (2011, p. 455) define the brand image as following: "*Brand image reflects consumer's perceptions of a brand's characteristics and can be gauged by the associations they hold in their memory*". Aaker & Joachimsthaler (2000, p. 40) offer a similar, yet very robust definition: "*the brands current associations*". An equal definition is also suggested by Keller (1993) and Kapferer (2008). The image-perspective is relevant because the external viewpoint forces the company management to acknowledge the challenge of customer's perceptions, that is, the fact the sent message might not be understood as was intended (de Chernatony 2006, p. 48). Although not explicitly used the term *corporate brand image* is seen in the context of this study as an equivalent to *brand image*.

This study has a managerial focus and thus it discusses the incentives and advantages of brand management. One of such is the relationship between brand image and price premium. As the figure 2 in the next page shows brand image has a clear connection with price premium. It gives, therefore, support for brand equity value creation and branding incentives discussed in detail later on. It is notable that Persson (2010) created the suggestive model among B2B corrugated packaging solution companies and thus in the light of this research not all perspectives under the six headings might be relevant and because of qualitative nature of the study the model is only a proposal. Nevertheless, it provides a good starting point for further analysis.

It is also notable, that a product can have multiple images which are interrelated and sometimes inconsistent with each other. A consumer soap Cinthol was investigated by Srivastava (2011) with interesting results. The study discovered two main types of images: male soap and family soap. The intended strategy for Cinthol was to be perceived as male soap but despite of efforts, 54 % of

respondents saw the product in a different light (Srivastava 2011, p. 348). As a totality of associations, brand image is very wide concept. There are also factors affecting the image that are out of direct control of marketers such as peer reviews, blogs, online review-sites, social media and so on.

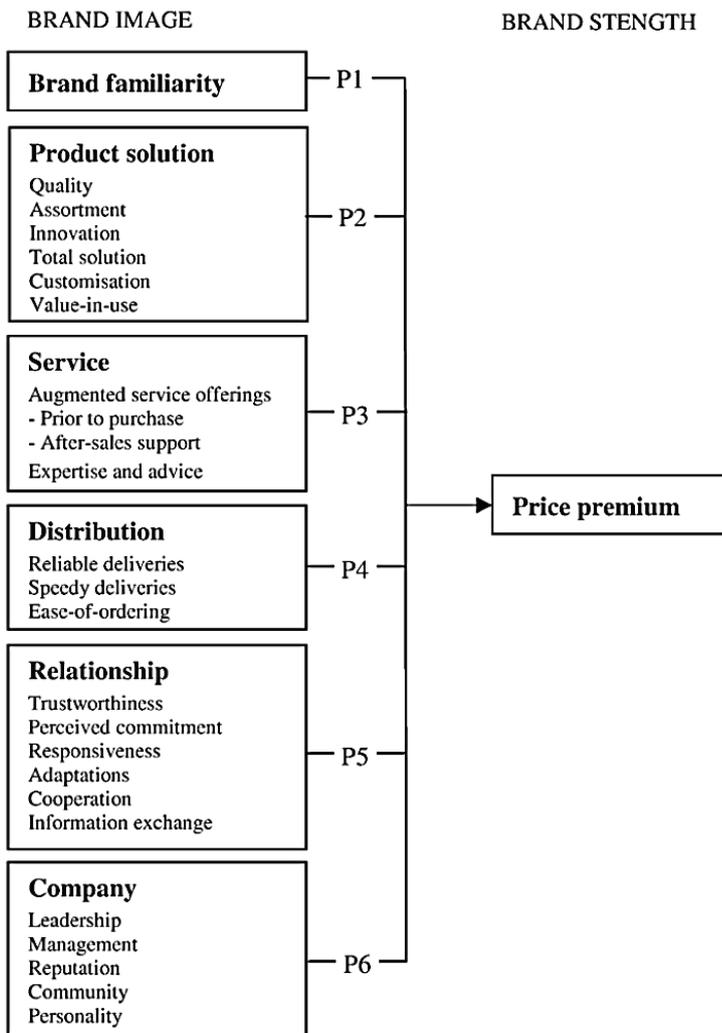


Figure 2: Brand image and price premium (Persson 2010)

The brand image's function is distinct in various buying situations. While searching alternatives there is never enough time to get aquatinted with each offering. The image can be used by the customer to decide whether a supplier is good and suitable. This perspective is especially valid when the search has rendered too many alternatives to pick from. On the other hand, when the customer knows the suppliers the image also functions as a differentiator. (Blombäck 2005, pp. 245-248)

Terminologically image is in very close relationship with *reputation* – a concept widely utilized in branding literature. Blombäck (2005, p. 91) concludes the main difference between the concepts by stating, that “*a majority of authors that reflect on both image and reputation seem to make a distinction between the terms where reputation connotes a collective impression among audiences which forms over time and is quite stable*”. A similar view is also presented by for example de Chernatony (2006, p. 49). The reputation can be understood as the broader and more stable version of image, but the difference is far from total clarity. In this study the concept of reputation is not utilized since the goal of this study is to understand the current situation of the brand.

2.2.3 Brand Identity

Brand identity refers to the linguistic concept of identity – for what, then, does the term *identity* stand for? For instance, it tells individual who they are; distinguish them from others in social situations and forms groups. Identity is in one sense very permanent but on the other hand it evolves as well. (Kapferer 2008, p. 172)

In short, brand identity is the answer to the questions (Kapferer 2008, p. 172):

- What is the brand’s particular vision and aim?
- What makes it different?
- What need is the brand fulfilling?
- What is its permanent nature?
- What is its field of competence? Of legitimacy?
- What are the signs which make the brand recognizable?

Similar views are also presented by Van Riel & Balmer (1997). All of these questions are reflected in the robust definition of identity by de Chernatony (1992, p. 12): “[*Brand identity*] is the message sent out by the brand”.

Aaker (1995) expands the definition:

“[Brand identity is] a unique set of brand associations that the brand strategist aspires to create or maintain. These associations represent what the brand stands for and imply a promise to customers from the organization members. Brand identity should help establish a relationship between the brand and the

customer by generating a value proposition involving functional, emotional, or self-expressive benefits.”

A strong brand should have rich and clear brand identity. Fundamentally, brand identity represents what the organization wants to brand to stand for. If the brand team is unable or reluctant to design and articulate a clearly defined identity, the brand is unlikely to reach its potential. Because brand identity is behind all the other brand-building efforts, it should have enough depth and richness in it – it is not only an advertising tagline or even positioning statement (Aaker & Joachimsthaler 2000, pp.40-43). Kapferer (2011, p. 173) also points out that the heart of identity is not in logos or graphics but in the brand’s deepest values, which do reflect to the visible signs of logos, design and so on. On the other hand, Coleman (2011, p. 61) points out that to a degree, brand identity is an identity orphan with very little theoretical references to concepts behind it (such as corporate identity). Although not explicitly used the term *corporate brand identity* is seen in the context of this study as an equivalent to *brand identity*.

Instead of relying alone on the mostly consumer and product-based models of *brand identity system* by Aaker & Joachimsthaler (2000) or *brand identity prism* by Kapferer (2008) this study utilizes the brand management system by de Chernatony (1999) which is suitable to create a concept-level identity for a solution-oriented B2B business. The model is to a large degree similar to the ones mentioned earlier but from structural point of view it is more helpful since it emphasizes the corporate-wide aspect of branding. A similar model is also suggested by Birkstedt (2012) or from the B2B service perspective by Coleman, de Chernatony and Christodoulides (2011).

Building the Identity

Brand identity creation process begins with the strategic brand analysis presented below (Aaker & Joachimsthaler 2000, p. 40-42). It is notable, that this background analysis is not originally part of the model by de Chernatony (1999) but it highlights the importance of data collection and conduction of background analyzes. The background analyzes are included in the model, since they help to understand the total concept of this study. In the empirical part customer-analysis is performed in the form of survey and self-analysis in the form of interviews. Competitor-analysis, as noted in the introduction, is delimited of this study.

- **Self-analysis** determines whether the brand has the resources and capability to deliver. The analysis has to cover both brands heritage and current image but also the complete framework in which the brand created including strengths, strategies and values of the organization.
- **Customer-analysis** must get down to why customers behave as the way they do – not just what they say. Qualitative research is useful tool for customer-analysis. Another important aspect is segmentation.
- **Competitor-analysis** examines potential and current competitors to assure that the strategy will in fact differentiate the company from competitors. Studying competitor's strengths and weaknesses can also be utilized.

The brand identity management concept suitable for (B2B) corporate branding context is presented in figure 3. The main components are *culture* and *vision* which drive the designed *position*, *personality* and the subsequent *relationships* all of which are finally *presented* to reflect stakeholders' aspirational and actual self-images (de Chernatony 1999, pp. 165-166).

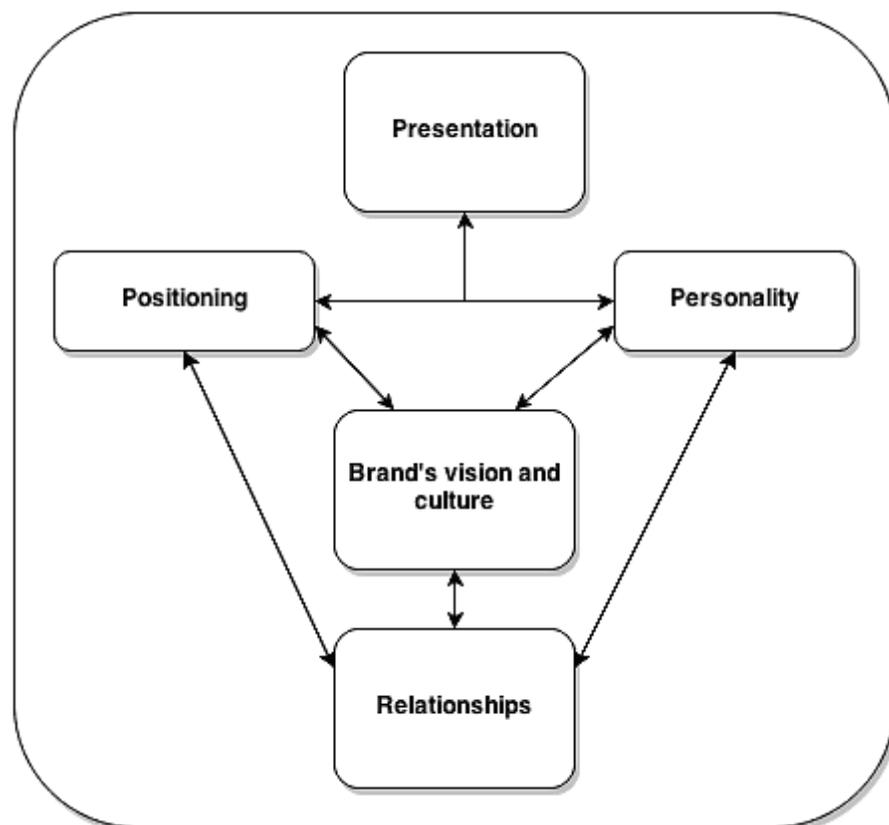


Figure 3: Brand identity model (de Chernatony 1999, 2006)

The key questions of each respective are is presented below (adopted from de Chernatony 1999 and Harris & de Chernatony 2001):

- **Brand vision and culture:** what the brand is striving to achieve – the ultimate value and core being?
- **Positioning:** To whom the brand is for and what does it offer?
- **Personality:** What human traits will the customers relate to the brand?
- **Relationships:** What kind of relationship does the brand build with the customer?
- **Presentation:** How is the brand promoted holistically?

Brand's Vision and Culture

Brand's vision considers how the brand is going to help the stakeholders over a long time horizon. Underneath the concept of vision are the brand's *purpose* and *values* with a strong connection to *culture* (de Chernatony 1999, p. 99-100, 141). The very reason for brand's being is its purpose which is encompassed by the vision along with brand values which provide a system of guiding principles (de Chernatony 1999, pp. 166-167). The purpose of the company can never be only about profitability but "*a successful brand is one that makes the world a better place*" (de Chernatony 2006, p. 88). According to Aaker & Joachimsthaler (2000, p. 43) brand's vision also creates a focus for the organization by creating perspectives easily communicable both inside and outside the company. Furthermore, according to de Chernatony (1999, p. 99-105) in many cases it is typical for a strong brand is to have a strong leader driving it although to actually create the vision for the brand, teamwork is usually required. In either way, the process features both analytical thinking and dreaming.

Kapferer (2008, pp. 189-190) similarly describes the brand's heart using the concept of *brand DNA* and suggest that it means the brand's specific and unique attributes which are enacted in daily operations of the organization but may not be explicitly written down. Similarly Aaker & Joachimsthaler (2000, p. 43) use the concept of *core identity* which should both deeply reflect the strategy and values of the organization and create a point of differentiation as well. The core identity is most likely to remain as such when brand is extended to new markets or products. It also creates a focus for the organization by creating perspectives easily communicable both inside and outside the company. In short: "*if customers*

perceive the brand according to the core identity, the battle is won" (Aaker & Joachimsthaler 2000, p. 43).

Values' job is to characterize the brand's inherent beliefs about desirable behavior of both staff and consumers (de Chernatony 2006, p. 88). According to de Chernatony et. al. (2011, p. 408) the enduring values are the ones which determine corporate brand identity (or in this context, simply a brand identity). For example in the case of IKEA, whose core values are, among others, *common sense* and *simplicity*. Yet these two alone drive the organization towards one strategic goal – *the right solution at the right price* – guiding the company's operations, product design, customer relationships and so on.

The culture of the organization is also crucial because the values of the brand are inevitable connected with the organizational culture (de Chernatony 2006, p. 141). In simple terms, organizational culture can be seen as a collective way of thinking which distinguished the members of certain organization of others (Hofstede 1997, p. 5) but a more detailed definition is provided by Schein (2009, p. 27):

"Culture is a pattern of shared tacit assumptions that was learned by a group as it solved its problems of external adaptation and internal integration that has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems."

The deepness and importance of the culture highlights the importance of managers to be attentive to the culture and its proper alignment with brand's values (Schultz et. al. 2005). The reason behind this is that inconsistency in the picture has a detrimental effect in the eyes of the stakeholders. Managers need to agree on a set of corporate values that will remain unchanged and also of the less central values that need to be adapted according to changing situations (Harris & de Chernatony 2001, pp. 443-444). As Hatch & Schultz (2001, 2003) argued in chapter 2.1.5 the alignment of culture with the desired organizational state (vision) is crucial. Culture can also provide unique competitive advantage especially when functional value is hard to obtain: *"in other words, it's not so much what customers receive, but rather how they receive it"* (de Chernatony 2006, p. 141).

To summarize the brand's core in includes three factors:

- Vision: pointing towards the desired future state
- Purpose: underlining the reason of existence for the brand
- Values & Culture: guiding principles of action to reach the goals

The values and organizational culture are summed up because conceptually they are very close to each other. In general, these three perspectives create the core of the brand reflecting answers to question list presented earlier by Kapferer (2008)

Brand's Position and Personality

Brand's positioning sets out what the brand is, what it offers and to who it is for. Beginning from the core values a set of functionally distinct capabilities differentiating the brand should be derived (Harris & de Chernatony 2001, p. 444). De Chernatony et. al. (2011, p. 379) argue that in order to be successful the company has to have a clear view on precisely what added values their brands offer. Similarly Kapferer (2008, pp. 175-176) argues that positioning a brand means emphasizing the distinctive characteristics that differentiate it from competitors and appeal to the public. The major questions are: 1) what is the benefit of the brand? 2) Who is the brand for? 3) How the brand delivers the value? and 4) Who the brand is against at? These four questions are designed to help to position the product or brand and make it immediately relevant to the customer. It is crucial to understand that positioning itself is quite limiting approach and the brand needs more substance to it.

Brand personality, on the other hand, is about connecting a set of human characteristics with a brand (Aaker 1997, p. 347). The characteristics are essentially emotional and they evolve from the brand's core values. De Chernatony and McDonald (1998) argue that emotionally influenced situations are rare in the B2B field but contradictive findings have been presented by for example Kotler & Pfoertsch (2006) and Lynch & de Chernatony (2004) who argue that trust, confidence, comfort, pride, peace of mind, security, reassurance and reputation are indeed present in industrial decision making. Furthermore, Aaker & Joachimsthaler (2000, pp. 66-68) argue that brand personality can be used to elaborate the brand identity. One way of brand elaboration related to personality

is creating brand *leadership* which is especially important for corporate brands since it provides reassurance and implies quality and innovation. It can also inspire employees by setting a high level of aspirations as well. As a conclusion, in the B2B context, brand personality revolves around performance and credibility with a minor role of sensations (Herbts & Mertz 2011, p. 1077). For further analysis on brand personality, see Aaker (1997) or Herbts & Merz (2011).

Relationships

By using the brand's personality, a relationship can be formed between the buyer the brand (Harris & de Chernatony 2001, p. 444). The consumer-based approach by de Chernatony (1999; 2006) focuses on the emotional relationship the brand creates with the customer helping him to understand himself and communicate aspects of himself to others. Additionally, the brand relationships occur not only between the customer and employees of the company but between the employees and all other stakeholders as well (de Chernatony 1999, p.169). From the perspective of B2B branding, this approach needs some additional insights from the field of customer-supplier relationships. The relationship needs to be perceived as more than just a mental state or attitude although these aspects certainly have a say in the B2B realm as well. De Chernatony (2006, p. 50) does point out, though, that the company should evaluate what kind of relationships do customers look after and develop it to the desired direction.

In the industrial world the relationships between companies are described by the level trust and credibility. In practice credibility refers being good at what the company does, keeping the customer's best interests and to be enjoyable to work with. On the other hand, trust is built on four main perspectives: 1) full and honest communication, 2) employee incentive alignment with customer needs, 3) partnering with customers and 4) offering a valid comparison with competitive products (Kotler & Keller 2012, pp. 202-203). Johnston and Lewin (1996) have a long experience on analyzing B2B buyer-seller relationships and they perceive that the most viable criterion used for evaluation of the relationship are power/dependence, behavior/performance monitoring, cooperation/trust, adaptability and commitment.

Muyllé et. al. (2012, p. 60) refer to seminal works on B2B customer-seller relationship development and argue, that trust is built over time in five different

phases ranging from the *contact phase*, through *transaction* and *expansion* to *consultative* and finally *enterprise* phase where the level of commitment is high meaning joint strategic initiatives. The researchers do point out, that not all of these phases are necessary and sometimes the relationship does not need to evolve beyond certain stage. The main argument by Muylle et. al. (2012) is that the brand is the vehicle which intermediates and enables the relationship to evolve by promoting trust and credibility. Chapter 3.4 discusses this theme in more detail. Regardless of the mostly emotional, consumer-based approach of the original author, this study understands the brand relationships from the B2B perspective as presented above. The emotional component is not abandoned, though, but a more holistic model is required to understand the differences of organizational buying.

Presentation

The presentation of the brand is about the content and ways of communicating the desired brand message (Harris & de Chernatony 2001, pp. 444-445). The first and most important question is: how the identity of the brand can be presented to appeal to stakeholders' aspired characteristics? The danger is that since different stakeholders have different contact points to the organization there is a potential conflict with the brand messages (de Chernatony 1999, p. 169). While communicating a brand, the basic elements are the choosing brand name and a vocabulary. Almost anything can be used as a brand name but the name should be designed to have a long life, be suitable for international use and protect against copying (Kapferer 2008, p. 210-214).

In presenting the brand de Chernatony (1999) focuses on the brands resonance with the customers' sense of self and helping the customer to express aspects of himself self to others. To better suit the organizational buying process and also to pay attention to the emotional components of industrial buying Mudambi et. al.'s (1997) pinwheel model can be used. The pinwheel can be applied in such a way that it gives directionality for presenting the brand, meaning, that the four critical areas are the ones brand message should highlight. The areas are *product*, *organization*, *delivery and support* with rational and emotional aspects attached to each one of them. It is notable, that the pinwheel-model does not consider practical ways of brand communications, leaving the topic for minor attention because this study is not focused on hands-on brand building. For further

research on brand communications see for example Haynes, Lackman, Guskey (1999) or Kapferer (2008).

Additionally, not all aspects relevant to brand identity are covered in de Chernatony's (1999) model. Kapferer (2008, pp. 183) points out that in many cases countries of origin are important aspects in forming brand culture. Prominent brands can also become prototype-brands which define the whole category of products. In that case, the brand is the most prominent example of a certain sort of product (Kapferer 2008, p. 191). It is also notable, that according to Aaker (2004, p. 278-279) it is a mistake to think that the brand has only one identity – in reality, there is usually a limited amount of identities that share common elements but have some distinctions as well. According to one approach to solve this issue is to use the same identity but with different emphasis or interpretation on different markets.

2.2.4 Matching the Identity with Markets

The sort of identity the brand (and the organization) needs depends on the respective customers and markets to which it is offered to and operates at. It is, therefore, essential to determine the market requirements especially in the case of highly complex B2B products. De Chernatony et. al. (2011, pp. 182-183) list three main aspects affecting to B2B brand selection. These factors should be considered when forming the brand identity:

- The different requirements of members of the buying center (or decision making unit)
- The type of industry buying the brand
- The type of product being bought

First it is notable that not all members of the buying center are interested in the same attributes – people with different educations and organizational backgrounds, just to name a few factors, look for very different things. It is even possible for the buying center to include parties with completely different viewpoints. Additionally, if the same product is sold to different industries, it is likely that they will not use the same decision criteria. The similarity of the industry usually means similarity in the decision criteria (de Chernatony et. al. 2011, p. 183). The buying situation also effects to the importance and power of branding. According to Kotler & Pfoertsch (2006, p. 50) there are eight stages in

evaluating brand relevance regarding to the buying situation with most relevance on the tasks where there is no previous experience present. The stages are illustrated in figure 4. It is evident, that the factory automation systems fall under category of *new task* or *modified rebuy* indicating high to moderate brand relevance.

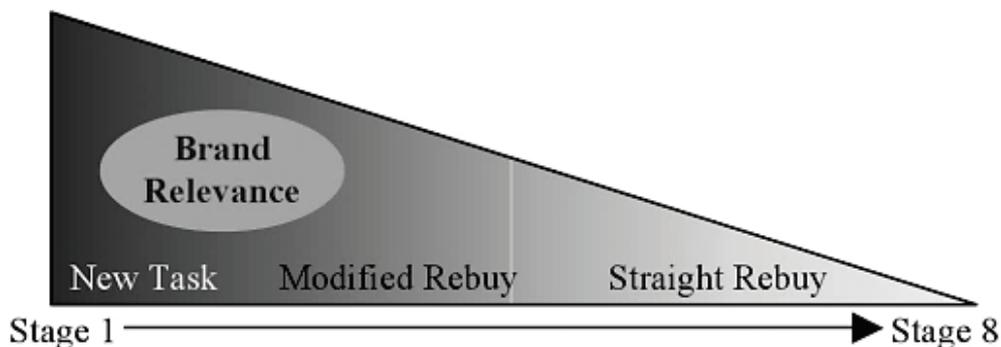


Figure 4: Brand relevance in different buying situations (Kotler & Pfoertsch 2006, p. 50)

Another important aspect is the type of the product. Industrial products can be categorized according to needs that they are ordered for. The first category is frequently ordered products that pose no problems. In the second, additional technical training is necessary for operation. In the third and fourth categories the complexity begins to emerge. In the third category there is uncertainty about whether the product will perform satisfactorily in a new application or not. The last one is the category where there is considerable amount of disagreement in the buying center about different features. It is evident that different aspects are important in each different type of order. For first reliability, delivery and price are important but for example for category three, the reliability of delivery, flexibility, technical service and information about product reliability are essential. (de Chernatony et. al. 2011, p. 183)

Similar findings were suggested by Mudambi (2002) who reported that not all companies and industries equally benefit from branding. The study found three buyer categories (or groups): highly tangible, branding receptive and low interest of which the first was only focused on the tangible product while the middle one considered many other buying perspectives such as manufacturer reputation. The last group consisted of buyers to whom the product being bought was at very

low importance. Mudambi's (2002) research points out, then, that it is important to analyze the buying situations in order to estimate the branding benefits.

It is also necessary to notice that price does not usually play a major role in the field of industrial decision making when there is differentiation among the brands – only when the competing brands are perceived as identical, the price becomes a major factor. And even when the price is in a major role, the life-cycle costs are usually considered favoring a well-established, quality brand creating savings in the long run. In the field of B2B the emotional aspects of buying are also usually in minor role. It is clear, though, that by purchasing certain brand individual persons put their reputation in the line if for example the delivery is late. Psychological factors do have a say, too. Buyers might be proud to co-operate with certain respected companies or believe that by telling this to his colleagues he will gain more reputation and authority. Purely personal opinions and relationships might, in certain situations, have an impact as well. (de Chernatony 2011, pp. 184-186)

3 STRATEGIC AND FINANCIAL BENEFITS OF BRANDING

3.1 Overview

Muyllé et. al. (2012, p. 65, 67) suggest that brand management can result in better-positioned products, a smoother sales process and increased customer satisfaction. They give an example case from chemical industry: Milliken, a provider of industrial chemicals, whose marketers conservatively believe that their brand commands a 10 % price premium. But how does this actually occur? Kotler & Pfoertsch (2006, pp. 43-44) mention the three most important functions of B2B brands:

- **Increase information efficiency.** Brands make it easier for customers to gather and process information about a product and, furthermore, branded products have recognition value.
- **Risk reduction.** By choosing a branded product, customer can reduce the risk involved in the buying process because brands include an expectation of performance and continuity as well.
- **Value added / Image benefit creation.** In the consumer market the value added/image benefit creation is evident because brands are used for self-expression. In the B2B-world this aspect is not as evident but can be, nonetheless, very important.

All of these functions are very strategic in nature – they drive the company towards its business goals. Aaker (1991, p. 31-32) argues that strong brand equity functions as a barrier of entry preventing competition, provide a growth platform for brand extensions, creates leverage and status in the distribution channel and enables higher margins by permitting price premiums. For organizational perspective Balmer & Grey (2003, pp. 986-987) suggests various benefits linked to a strong corporate brand. The first is that branded companies have an edge in finding venture partners and they have an advantage in the eyes of investors as well. One major benefit is also in the field of recruitment and retention of employees where the company brand can create inestimable value to the HR-department. The value created is also financial due to lowering the costs associated with recruitment and training. The company values can be used as a template against which the prospective employees are evaluated. Einwiller & Will (2002) also support the views that strong brand leads into market prominence

and attracts potential employers. They also add that a strong corporate brand communicates a wide range of values to customers from financial solidity to social and environmental responsibility. There's also a growing demand for transparency which a strong brand can satisfy. As a summary, from the managerial perspective the corporate brand can be seen as a tool to communicate the company values and aspirations (Hatch & Schultz 2001), to differentiate itself from competitors (Hatch & Schultz 2003) and to help the company build credibility, trust and loyalty among stakeholders (Balmer & Grey 2003).

3.2 Price Premiums

As noted earlier, Muylle et. al. (2012) reported a 10 % price premium in industrial chemicals. Bendixen et. al (2004) report a price premium of 7,4 % if a strong brand is compared with an average and a 14 % if compared to a unknown or new brand in the branch of precision bearings. Firth (1993) reports a bit more moderate premium of 4 % in accounting services in New Zealand. Hutton (1997) discovered a 12-19 % price premium depending on the complexity of the product in the field of personal computers, fax machines, floppy disks and copy machines. Mudambi (2002, p. 527) reports a study where 4-6 % premium was detected in the case of “[suppliers] whose product and service performance is likely to be superior to other vendors”. The strongest indicator predicting price premium in her study was brand reputation. As a conclusion the price premium for strong brand in B2B industry can vary from about 5-15 percentage depending on the industry and product complexity. It is also important to notice what price level is considered as a reference.

3.3 Efficency of Communications and Strategic Direction

The industrial markets have moved away from selling a single products and now sell solutions which tend to be quite opposite of self-explanatory. In addition, when marketing a solution-based offering, industrial businesses tend to induce customers with loads of information in the form of brochures, specification sheets, catalogues and so on. In the complex world, business marketers have to realize the need to simplify their offering (Kotler & Pfoertsch 2006, p.42). The brands, then, provide a sophisticated means to simplify the message into a promise of quality and trustworthiness – the ability to *provide* despite of multi-layered and complex solutions.

This view is also supported by McQuiston (2004, p. 353) and Persson (2010) who add that successful B2B brands are perceived as providing customers *total solutions*. In addition, Hutton (1997) suggest that branding has the largest impact on complex buying situations such as buying services which are difficult to assess prior buying. Keränen et al. (2012, p. 411) refer this as neglected area which represents a potential research avenue. The function of B2B brand to create simplicity in the case of complex offerings can, therefore, viewed as an essential viewpoint. In addition, Hutton (1997) suggests a phenomenon called *halo effect* which causes buyers to transfer brand associations to another product with same brand in sometimes completely different product category. Bendixen et. al. (2004) also support the argument by pointing out that if the brand has value it is should be possible to transfer it to other products. The halo effect enables the company to extend the brand to new product and thus increase the efficiency of marketing.

From more managerial perspective brands and brand equity can be seen as strategic assets and a source for competitive advantage and long-term profitability. It is, therefore, crucial to align business strategy with brand strategy, something which can be only accomplished by close monitoring and leadership by top management (Kotler & Pfoertsch 2006, p. 6). McQuiston (2004, p. 353) also adds that branding can help to allocate resources accordingly and to keep a steady organizational focus. How this happens in practice is illustrated by the alignment model by Schultz et. al. (2005) including vision, image and culture presented in chapter 2.1.5. The model helps to understand how brands create the strategic direction – it is because the key task of branding is to deliver customer value and assuring that the organization as a whole is on the right track in providing it.

In particular, the holistic approach on branding forces the organization to ask the vital question of *does the organization practices the values it promotes?* As noted earlier, brand offers a set of guiding principles designed to achieve a certain goal, namely customer value. The brand's vision should also be attractive to everybody in the organization so that there are no marginalized subcultures. The cultural aspect in general is very important as well. The organization needs to ask itself whether the company vision and culture are sufficiently differentiated from those

of competitors. The culture and vision are the signatures of an organization and help it stand out in the competition. (Hatch & Schultz 2001)

3.4 Risk reduction

Risk reduction is one of the most prominent factors of B2B brand management. McQuiston (2004, p. 347) mentions studies, for example Henthorne, LaTour, & Williams (1993) and McQuiston & Dickson (1991) on the topic of perceived risk in organizational buying situation which have *“shown that industrial buyers will choose recognized brand names from established companies as a way to reduce both corporate and personal risk”*. Keller (2008, p. 657) quotes the famous saying describing the key source of IBM’s brand equity: *“you’ll never get fired for buying IBM”*. The importance of perceived of risk is also suggested by de Chernatony et. al. (2011, pp. 186-187).

Hutton (1997) lists buying situations, where brands play a major role:

1. When product’s failure would create serious problems for the whole organization or for the of the buyer as individual
2. When product requires plenty of service and support
3. When the product is complex

These factors have a strong connection with brand relevance model by Kotler & Pfoertsch (2006) presented in chapter 2.2.4. Persson (2010) continues, by quoting studies conducted by Dowlin & Staelin (1994) to argue that a well-known supplier may have an advantage both when potential suppliers are selected and a deal-breaker advantage when the choice for supplier is about to be made. Martensen and Gronholdt (2010) argue that even in consumer banking services, trust is ranked the most important criteria among service quality. Muylle et. al. (2012, p. 59-61) have developed a model to illustrate the relationship between brand and perceived risk, which they refer as the most essential view on branding in the B2B-environment. Muylle et. al (2012, p. 59) conclude that brands as such do not reduce customer’s perceived risk but if the promises made under the brand are consistently kept, the brand will start connoting dependability, the converse of risk.

Muylle et. al (2012, p. 60-61, 71) begin by introducing the five phases of customer-seller relationship presented in figure 5: contact, transaction,

expansion, consultative and enterprise phase. A similar five-phased model is also suggested by de Chernatony et. al. (2011, pp. 181-182) and Cardozo (1980). By understanding this concept the seller can consider and evaluate the risk from the buyer's perspective and answer to it with sophisticated brand architecture.

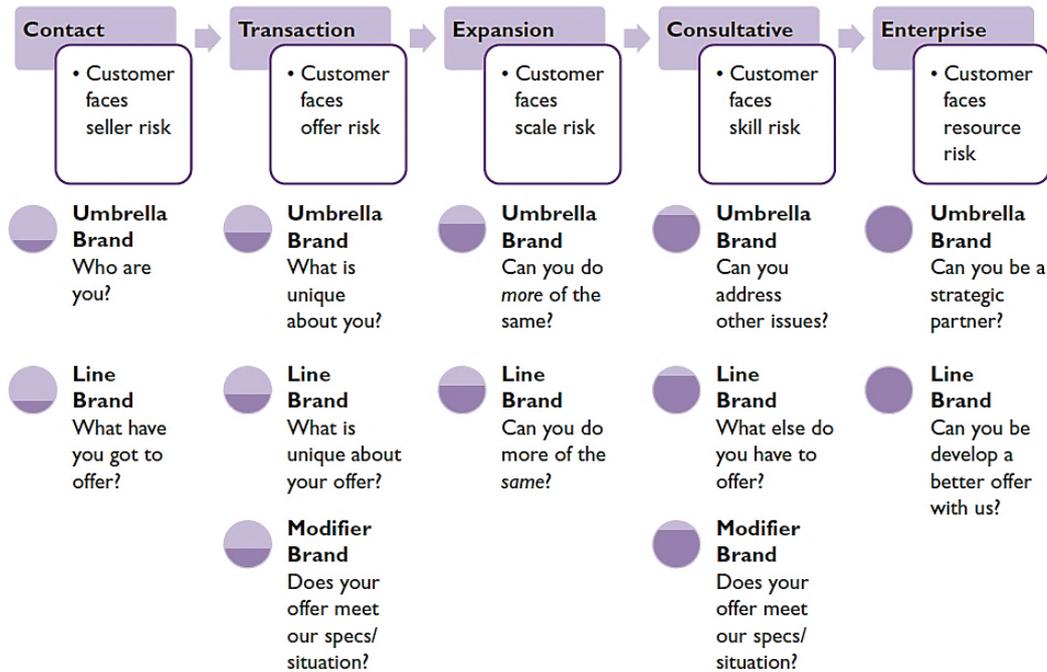


Figure 5: Buyer risk and brand architecture (Muylle et. al. 2012, p. 66)

The first question buyer has is for the seller is *who are you?* The company brand must, therefore, unequivocally demonstrate the credibility of the seller. While the umbrella brand communicates corporate size, scale and capability of the firm, the more specific concerns must be met with line brands. The buyer's second question is *what makes you unique?* Meaning, what are the specific ways through which my needs are met. Here the line-brands are introduced as specific answers to buyer's problems – they denote the capability in the specific field of application and differentiation as well (Muylle et. al. 2012, p. 62, 64). The architectural approach on brands as risk reducing factors fits well to the offerings of CC where the brand of the offering consists of the company name, a product family and a descriptor as proposed by Muylle et. al. (2012).

4 THEORY CONCLUSION AND PROBLEM SETTING

4.1 Solution Proposal

The Case Company has two major issues in regard to branding. It has not systematically analyzed how the brand is perceived within the organization nor does it know how the customers have actually understood it. Yet aligning these perspectives, as mentioned earlier, is *the* perspective for managing any brand. In addition, the company also needs a solid case for understanding the potential benefits involved. The difference between identity and image is illustrated in figure 6. The goal of this study is, therefore, to provide a baseline analysis on both forces and a set suggestions regarding to how to balance them.

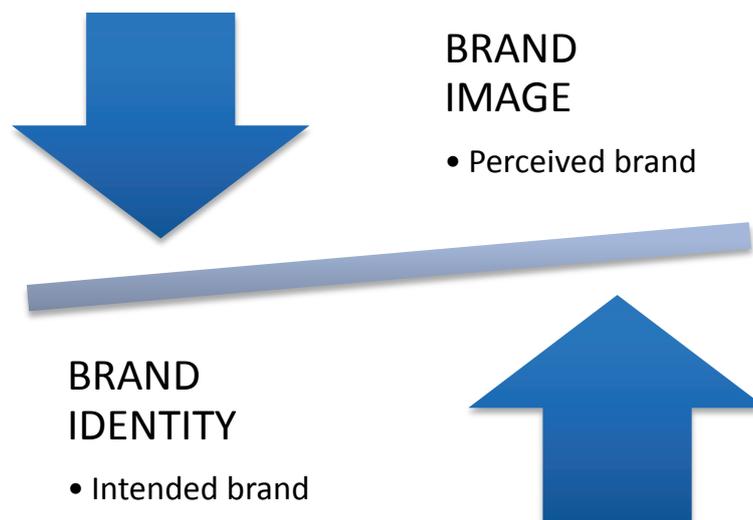


Figure 6: Relationship between brand image and identity

In practice the solution to the company problem is quite simple: the concepts of brand identity and image are analyzed in order to understand them and the potential benefits involved (an endeavor now completed). This understanding is further utilized in the empirical studies of both concepts. The qualitative interviews on brand identity and quantitative survey on brand image are designed create an overall analysis of the Case Company's present situation also providing some practical suggestions on how to proceed. Additionally, potential research perspectives are suggested to utilize the information this research provides more comprehensively.

From the perspective of industrial management, the justification of this approach lies in with the connection between brand image and brand equity discussed in chapters 2.1.3 and 2.2.2. The figure 7 further illustrates how all of the concepts of this study work together. Brand identity builds a positive brand image which, in turn, creates brand equity and eventually shareholder value. On the other hand, when brand equity does create shareholder value, it also means more resources should be allocated to further utilize and maintain the current strength of the brand (managing the identity). The concepts of identity and image similarly to equity and image are in continuous relationship as illustrated in the figure. Changing market environments and customer needs will also ensure that the brand identity needs to evolve constantly. As a conclusion the figure 7 illustrates the justification of industrial management approach on brand management although the study is focused on the interaction between brand identity and image.

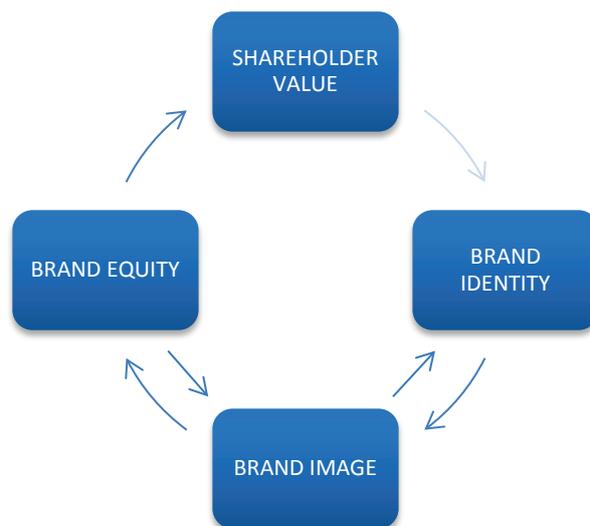


Figure 7: Conceptual model on brand management and shareholder value.

The internal interviews are designed to decipher how the company brand is perceived by the top management: What kind of associations do they have? What is the core value the brand is intended to deliver? Furthermore, the external survey intends to answer similar questions such as: What associations do customers link with CC? or How does the brand create value for them? The brand identity model by de Chernatony (1999) has five dimensions but this study will focus on three of them: brands core, positioning and personality leaving the relationships and presentation for lesser attention. It is notable, that the brand's

core is also very wide concept especially in the case of a corporate brand. This is because the organizational culture is strongly present in the core. Deciphering the culture is an extensive and difficult task (Schein 2009) and cannot be conducted in the scope of this study although some general directions will be pointed out. This is due to the fact that culture is indeed present in every word and action of the organization and thus also implicitly included in the insights shared by respondents.

Before the empirical part, the basic principalities of scientific research are presented. The three major requirements for a high quality research are *validity*, *reliability* and *objectivity*. *Validity* refers to the fact that the research should measure what it is intended to. This means that the researcher has to define specific goals or otherwise he or she might study the wrong topics. The validity has to be ensured in advance since it is difficult to estimate it later on. *Reliability* refers to accuracy of the results meaning that the results are not a coincidental. The basic requirement that follows is that the research should be possible to be reconstructed by another researcher and that the results may not be generalized beyond proper limits. *Objectivity* means that the results of the research should not be dependent on the researcher. The researcher may not allow his or hers own moral, political or other agenda's to influence to the results. This is especially important in interview-based research. (Heikkilä 2010, pp. 30-31)

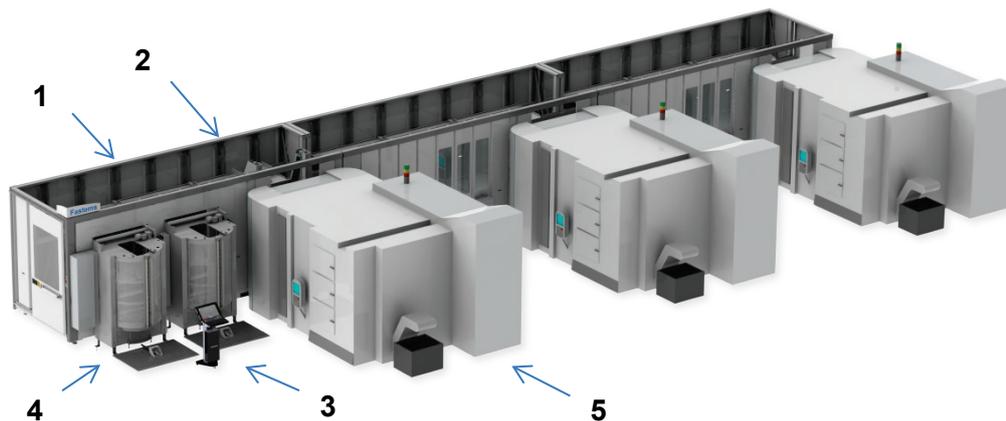
4.2 Introducing the Case Company

As noted earlier, this study uses a certain factory automation company as an example. The research is, however, written in a manner that any company in similar industry field can utilize the models in its own brand management. There are some distinctions, though, where company specific perspectives are necessary. This is setting intrinsic to the nature of branding theory since it does (and can) not attempt to provide a ready set of answers but only a framework which needs to be customized accordingly.

The Case Company is a middle sized factory automation systems provider whose offerings consist of flexible manufacturing systems (FMS) varying for example in pallet size and depth of customization. Additionally, the company has other offerings such as robotics as well but they are delimited of this study. The annual turnover of the company is about 90 million euro and it has about 350

employees. CC has recently released a new strategy and is currently working with the implementation phase. Therefore, a need to analyze and reinvent branding strategy has emerged. Nevertheless, the company, despite of its long history, has not yet extensively studied its brand nor formed a holistic strategy for brand management although the value creation process of factory automation systems was analyzed recently in the form of customer interviews by Kumpulainen (2013).

A simple, modular solution of CC presented in picture 2 consists of a stacker crane which transports pallets to the machine tool (1), the storage where pallets are kept (2), control system including a user interface operable on a touch-screen interface (3), a loading station to load and unload pallets (4) and of course the machine tool itself (5).



Picture 2: A modular FMS (Case Company 2014)

In the picture 2 there are three of these modular units combined together. In a larger, customized system the system might include material pallets, various different machine tools, many loading stations and other add-ons such as washing stations or robot cells. CC's systems are designed automate any machine tool brand in the world. Furthermore, the system has to be installed and configured on site precisely for the certain machine tool model. Additional support services including training and teleservice (a support hotline with remote diagnostics capabilities) are included in the offering as well.

The CC brand is a corporate brand where a distinction between brand of the offering (solution) and the brand of the organization does exist, but it is diminutive. As noted earlier this study views the corporate brand from the

perspective of automation solution customers limiting the focus to a certain range of offerings and to only one stakeholder group. In practice, the company logo appears as such in the offerings which have a descriptive “sub-brand” element describing the type and size of the system as well but the descriptors are not individually marketed or visible in the physical solution. Furthermore, the factory automation industry is highly solution-oriented, meaning that the CC offerings consists of not just of a simple physical offering but an entire system featuring of all the elements necessary to automate certain machine tool(s). The systems can even be called as factory-in-factory -solutions.

Picture 3 illustrates the system from the inside. On the left there is a pallet in the storage with the (orange) fixture and the workpiece itself. The white stacker crane is at the back and the machine tool is on the right.



Picture 3: Inside of a modular FMS (Case Company 2014b)

5 STUDY ON BRAND IDENTITY

5.1 Interview as a Research Method

Interviews are usually planned in three ways: first an overall objective must be determined to set the course of action, secondly an interview guide is written as a memory jogger for the interviewer, and thirdly within each topic there can be probe topics which are discussed only after the general topic and if the respondent has not discussed the topic already. The recording of interview is suggested and transcribing the audio as well for more comprehensive analysis (Carson et. al. 2005, pp. 73-74). The interview should be held in a place with no distractions or potential for being interrupted. The interviewer needs to show empathy and sympathy towards the respondent and never act in judgmental ways. It is also important to ensure the respondent of full confidentiality. While closing the interview, it is important to thank the respondent and ask whether he or she had any additional remarks. (LePla & Parker 1999, p. 279; Keats 2000, pp. 22-27)

In order to grasp the true character of brand identity the interview has to approach the topic of not directly but through different mediums. The risk in direct enquiries (such as *how do you perceive the brand identity of this company?*) is that it may lead to “right” answers consisting mainly of marketing jargon which will tell very little about the real assumptions, attitudes and feelings the respondents have and according to which they actually operate in daily work. Another problem with the term brand identity and its related concepts is that the respondents might not understand them correctly or that the respondents have very different definitions for them. Since the term considers the intended brand message and value proposition of the company it is safer and easier to ask questions related to that perspective directly, such as *how do you differentiate yourself from competitors?* or *which aspects the buyer is most concerned with your solution?*

After the data is collected usually some kind of coding process occurs. Coding is an activity used to analyze a large portion of qualitative material. The process begins by using usually predetermined categories to code groups of words into categories. For example in marketing strategy these codes could be *cost leader*, *differentiator* and *focus*. The codes refer to a phrase, sentence or paragraph (Carson et. al. 2005, p. 83). As a summary the codes are retrieval and organizing

devices that allow the analyst to spot quickly, put out, and then cluster all the segments relating to a particular question, hypothesis, concept or theme (Miles & Huberman 1994, p. 57). According to Carson et. al. (2005, pp. 83-84) after the first phase of coding is complete the researcher tries to select situations that illustrate certain themes and create comparisons and contrasts. As the final result of coding, the data should be organized according to the topics and sub-topics of the research. It is also notable that the interpretation framework researcher uses to understand the data is a combination of experience, learning, study frameworks and insights.

5.2 Planning the Interviews

Following with the advice of Keats (2000) the goal of interviews is defined as following: *to gain an overall insight of how the top and middle management of CC perceives the company brand*. The more specific viewpoints are listed below:

- What kind of associations do the respondents have with CC brand and how will they rank them?
- How would the respondents describe the brands core?
- How CC brand distinguished the Case Company from competitors and how it creates value for the customer?
- Does the organization of CC support the brand?

As Keats (2000) suggest, an interview guide was devised – presented in appendix 1. The four goals mentioned above are listed as sub-headings in the interview guide. The first five questions provide information on the general brand associations and also about the core of the brand. Questions 6-8 deal with differentiation and value creation while questions 9-10 deal with the relationship between brand and organization. The last question (number 11) was introduced in the midway of the interviews in order to understand respondents the conceptual understanding on branding. The suggestions regarding to recording and transcribing the interviews was also carried out as well as paying attention to creating rapport and emphasizing confidentiality.

In practice, the CC brand identity was studied via 11 interviews with selected managers listed in table 3. The managers working in Finland and additionally Germany's country manager were interviewed face-to-face while managers in the USA and China by telephone and Japan via video conference. The language

used was Finnish or English. Unfortunately the country managers of Germany, China and Japan could not be interviewed with their mother tongue. This is certainly a limitation for the study. The titles of interviewed managers are presented in table 3 along with interview dates and durations.

Table 3: General information on interview respondents.

| Area of responsibility | Location | Date | Duration |
|---------------------------------|----------|------------|----------|
| Group-CEO | Finland | 30.9.2013 | 51 min. |
| Managing Director | Finland | 1.10.2013 | 32 min. |
| Marketing & Development Manager | Finland | 26.9.2013 | 66 min. |
| Common Operations Manager | Finland | 2.10.2013 | 35 min. |
| Area Manager (DACH) | Germany | 17.10.2013 | 43 min. |
| Country Manager | USA | 8.10.2013 | 35 min. |
| Country Manager | China | 8.10.2013 | 38 min. |
| Country Manager | Japan | 10.10.2013 | 47 min. |
| Business Line Manager | Finland | 2.10.2013 | 30 min. |
| Business Line Manager | Finland | 9.10.2013 | 50 min. |
| Business Line Manager | Finland | 24.10.2013 | 32 min. |

Next, the interviews were conducted according to the plan between 26.9.-24.10.2013. The interviews took place whether in a meeting room at the company headquarters or in a video conference-room in the case of international respondents. The interviews lasted from 30 to 66 minutes averaging on 42 minutes. The interview situation began with introducing the interviewer and purpose of the study, followed by assurance of anonymity and permissions for recording and quoting. The interviews had always the same approach and order of questions. Because the subject was to a degree strange and abstract to the respondents, the questions had in many cases to be repeated in different wording to help the respondent comprehend it. This was especially the case when the interview had to be conducted in a language that was not the mother tongue of the respondent.

While discovering the brand associations two tools were utilized suggested by theory: the brand was approached using the metaphors of a person and a visual

tool of a target. The person-metaphor utilized in question three is suggested by Keller (2008). In the fourth question the respondents were given a target with 5 layers and asked to name aspects which relate to the core of the company brand and what relates to the outer rings as well. This was done in order to grasp what perspectives the respondents perceived as most essential for the brand (core identity). The respondents were allowed to use previously mentioned traits of viewpoints or come up with new ones. The respondents interviewed via telephone received the picture through a chat-application.

The brand's vision is a major theme in the branding literature as noted earlier but keeping the situation of the company in mind it is not suitable to directly approach the subject of vision since the premise is that it simply does not exist. In order to understand the situation is more viable to ask many brand related questions and use that material to shape a suggestive vision – the general point and purpose to which all of the data points out to. Especially the questions related to brands' core identity, differentiation and the summarizing question of forming one descriptive sentence of the company brand are devised to sort out the situation. Additionally, the brand's culture and values are – because of their deep and complex nature – delimited of this study. Some suggestions are provided on the topics, though.

The only change the interview guide faced, was the addition of last question (number 11) regarding to the definition of brand. The question was introduced in the midway of the study and received a total of five responses. The smaller sample size will be accounted for in the analysis. The question was introduced in order to better understand how the respondent would explicitly describe the concept of brand because lots of ambiguity and mutually contradictive views emerged in the answers. After the questions were properly talked over, the interviewer thanked the respondent for contributing and provided an opportunity for any further comments on the subjects or questions. In many cases, given the freedom to approach the subject from their own conceptual world, many fruitful discussions emerged. Since in this part the topics were raised up by the respondents, the interviewed asked specifying questions in order to map the respondents' thoughts within the framework of this study.

After transcribing the audio verbatim the data was coded question by question in order to find the most crucial points of view addressed by each respondent. It is notable, that sometimes during the interviews respondents would later on refer to

previous questions and provide with additional information. This happened especially in the final conclusion stage where the respondents were asked for any final comments. These aspects, if applicable, were coded according their content and combined to their proper context. Because of the firm structure of the interview, the codes used were the interview topics and they were based on brand management theory (*a priori* codes). To better comprehend the phenomenon, a few additional codes were introduced emerging from the interviews such as *the importance of brand*. The data was analyzed using a table presented in appendix 2. Only the perspectives (codes) number 4, 9 and 10 emerged from the interviews. The importance of branding was implicitly (and sometimes explicitly) emphasized by the some of the respondents while some of the respondents also raised up questions and issues still looking for answers in the context of CC brand management (perspective number 9). The company tagline received also lots of attention and discussion and thus it was included as a particular perspective (number 10).

After gathering the coded interview data under relevant columns to table presented in appendix 2 the next step was find common denominators and themes to meaningfully organize the respondents' answers. The headings were chosen to accurately represent the data and to find the most prominent, common perspectives. Both branding theory and interview results were considered while generating the themes. Next, the words including synonyms were counted to create a rough priority between the headings.

The word count (marked with "n") represents the amount of references under one heading. It's noticeable that there is no maximum amount for the n-value since the respondents' answered to open ended questions meaning, that they might address multiple aspects at once. The n-score should not be, then, understood as a definitive ranking but only pointing towards general direction of the answers. Furthermore, because of necessary simplification the headings of the lists should not be interpreted very strictly. It is also notable that the general associations were collected both from the explicit answers to question one but also implicit references regarding the company brand during the first two questions. This was necessary, since some of the respondents (most likely unintentionally) described the company brand during the first question.

5.3 Brand Associations

General Associations

The general associations on CC brand provided following results:

- Automation & FMS
- Company & Products
- Reliability & Quality
- 8760
- Productivity
- Expensive

The characteristics of CC as a company and references to its products such as *customized solutions* received most mentions (n=8). The general topic of automation along with FMS also got many references (n=7). All of the mentions were explicitly *automation* or *FMS*. The perspective of reliability and quality was also in the very top (n=7). As an example when asked about brand association, one manager immediately stated:

“[CC is] a sign of quality, commitment and responsibility”

The next three themes received 2-4 responds, respectively. The aspect of productivity was among the first associations for three respondents which pointed out that CC is about maximizing customer's productivity or competitiveness. The company tagline received four mentions. In practice, for some managers the tagline functions as a value promise. The pricing-aspects were mentioned by two respondents which is somewhat surprising for a first association. The importance of this perspective is left for the customer survey to explore. It is also notable that the company tagline refers essentially to productivity and combined with explicit references on the topic they receive a total of 6 responses (one of the managers did not associate it immediately with productivity). Keeping this in mind, a finalized pattern emerges consisting of five categories presented in figure 8 on the next page. Apart from the perspectives mentioned earlier, there was, however, five mentions of associations which did not logically fit into any previous categories such as *Finnish* or *old company*. There were also two general references regarding the company's intended value statement (but only as a concept).

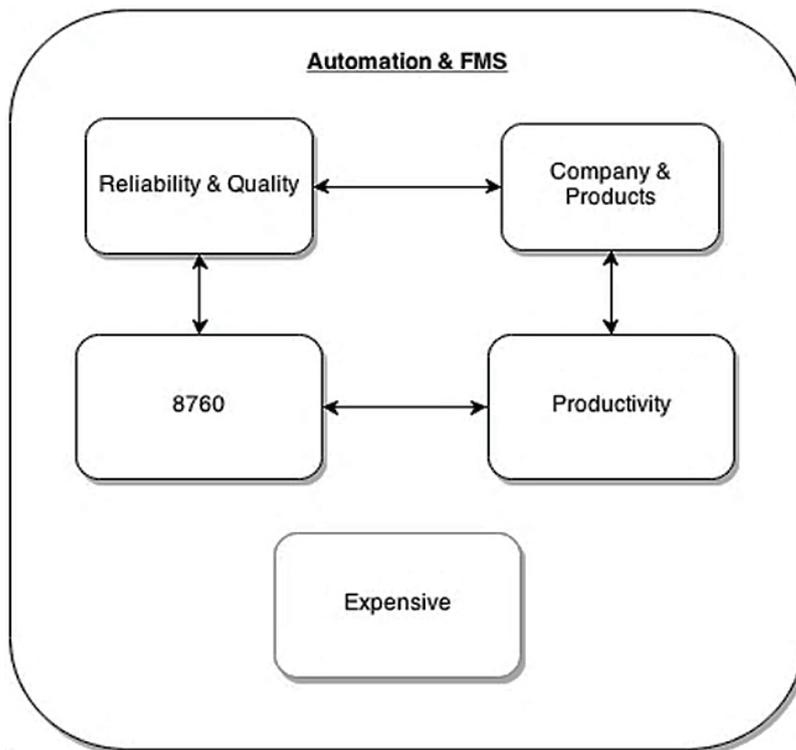


Figure 8: CC brand associations

Brand as a Person

The third question of the interview dealt with the metaphor of person and provided following main perspectives:

- Customer oriented & flexible
- Hardworking & competent
- Reliable
- Innovative

Customer orientation and flexibility were mentioned by almost every respondent (n=13). Under the general heading terms like *communication, understanding, empathy, listening skills* and *gets along with customers* were observed. These all underpin the positive personal traits regarding to attitude, capabilities and behavior towards customers. The next topic was hardworking and competent (n=10) with references on *working hard, competence, capability* and *being demanding*. Reliability (n=5) in its different forms was mentioned five times usually referring on the fact that the person would keep his promises. Innovativeness received three responses. In this case, there were also two other traits which did not match any of the four categories mentioned above although

they are well in line with other major perspectives. As a final pattern, figure 9 emerged.

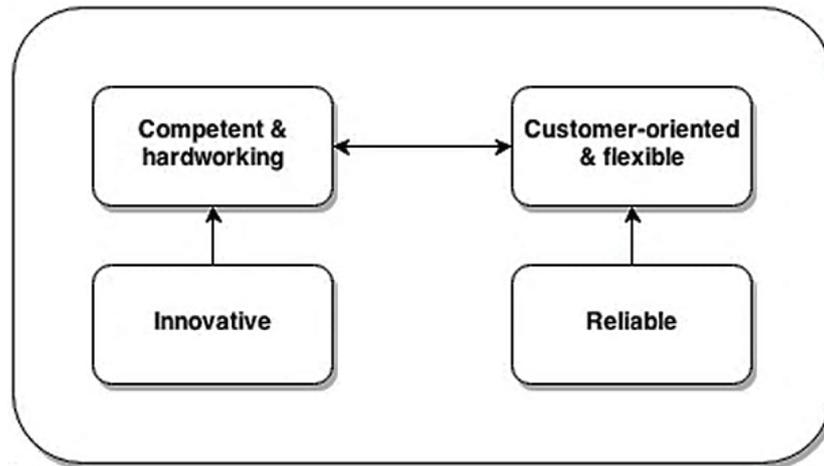


Figure 9: CC's brand as a person

Brand Target

In the fourth question the respondent were asked to map their insights of CC brand using a visual tool of a target. The idea was to create a hierarchy within the associations and especially separate the brand's core from the supportive perspectives. The picture used as a visual cue is was a target with five different layers of different colors. With some exceptions most of the respondents did not specify, which level (color) each perspective belonged to but they made a distinction between the core and supportive aspects. This pattern is therefore utilized in the analysis as well. It is also notable, that regarding the brand's core the maximum n-value is 11, meaning that each manager's answer is treated as a one summarized entity. The approach is used to maintain clear focus and clarity regarding this highly summarizing question. The main themes in the core of the brand were:

- Technical leadership
- The role of an open-integrator
- Reliability and quality

Some respondents (n=3) mentioned, that in the core of CC's brand are the most technically advanced and state-of-the-art products in the world. The fact that CC is the biggest provider of FMS as an open-integrator was also mentioned along

with references to the knowhow of company's people. As a conclusion of these aspects, CC is perceived as a world leader in both technology and marketwise as put by one manager:

"If we talk about the bigger area which is FMS then it is very clear that we are unquestionably the biggest supplier in a larger segment, of these kinds of integrators."

Another manager emphasized the role of CC's role as technical leader

"It means that [CC] is the top actor at its industry: capable of providing the latest technology -- [meaning] it has the latest and most advanced solutions in the field."

Another perspective (n=3) is the role of an open-integrator – meaning the skills to create an automated system using almost any set of machine tool models in the world with optional inclusion of materials, tools, washing machines and so on. The integrator-role was also sometimes referred using the concept of flexibility and remarks on deep understanding on the machine tool business and customer's processes, as one manager clearly stated:

"If we talk about our core competencies and take that view so then [being an integrator] is in the very heart of the core. It is what we use to differentiate ourselves with our customer base."

The reliability and quality -aspect received almost an equal amount of mentions (n=2) with high internal coherence as the respondents simply referred to either reliability, quality or both. In the context of this study, the perspectives are in very deep relationship: the quality of automation system is measured to large degree by its reliability (supportive observations regarding this premise were discovered later on in the brand image -section). Additionally the company tagline received two mentions and one manager focused on the competence and knowledge of the employees. Although these last three perspectives do not directly fit to any of the categories mentioned above they are well in line with them.

To create a holistic picture on the brand's core, a following pattern emerges: in the heart of the brand is *the role of an open-integrator with technical leadership*. The concepts of *reliability and quality* and the *company tagline* all contribute to this image. Reliability is the most essential factor of an automation system and to

make the leadership possible, the system has to be state-of-the art technically. The company tagline is used as a medium of communication to highlight both externally and internally the direction the company is going to, as one manager put it:

“The purpose is, that we help our clients to achieve the maximal efficiency for their machines and equipment what they have acquired. So in that sense that 8760, it is the goal, to be exact. [It is] the amount of hours which the customer’s machines should run in a year.”

In the outer rings, supporting the core, the most common responses were grouped under three themes (it is notable that this time there is no limitation for the n-value):

- Competences of the company
- Reliability and quality
- Customer relationships

Competences of company (and its people) was seen as the most important one (n=7). The main subjects were *innovativeness, core competencies enabling the brand’s core, people and their knowhow and company vision and mission*. As conclusion, the category includes mainly views on how the company is striving to meet the goal. One manager expressed the idea as following by using the context of company tagline:

“I guess the certain areas of expertise that enable the 8760 -- the first is understanding the customer -- another is certain technologies that enable aiming to the goal of 8760 such as knowledge in software and mechanics.”

The next topics were quality and reliability and customer communication which received 6 mentions, respectively. One manager commented that listening to the customer should be at the core but it has slipped down:

“In listening to customers we are pretty close, maybe in the red [second to core] area. And the negative cause why we are not at the yellow [core] is that we start to control the customer quite easily.”

The customer perspective included views on *customer satisfaction, communication and understanding the needs of the customer*. Reliability and

quality were referred with more explicit references on *high quality, stable and trustworthy, reliable* or being *the biggest supplier in the world*. It is notable that reliability and quality were also major determinants of brands core. This seems to imply that these are in fact very prominent aspects but their place in the structure of the brand is under some ambiguity. Another and more likely interpretation is that the quality and reliability are such prominent determinants in the brand that they in fact emerge in each level. Similar patterns can be detected in other factors as well. For example one respondent perceived that CC being the biggest player as FMS open-integrator belongs to the core of the brand while another placed to the outer rings. The summary is illustrated in figure 10:

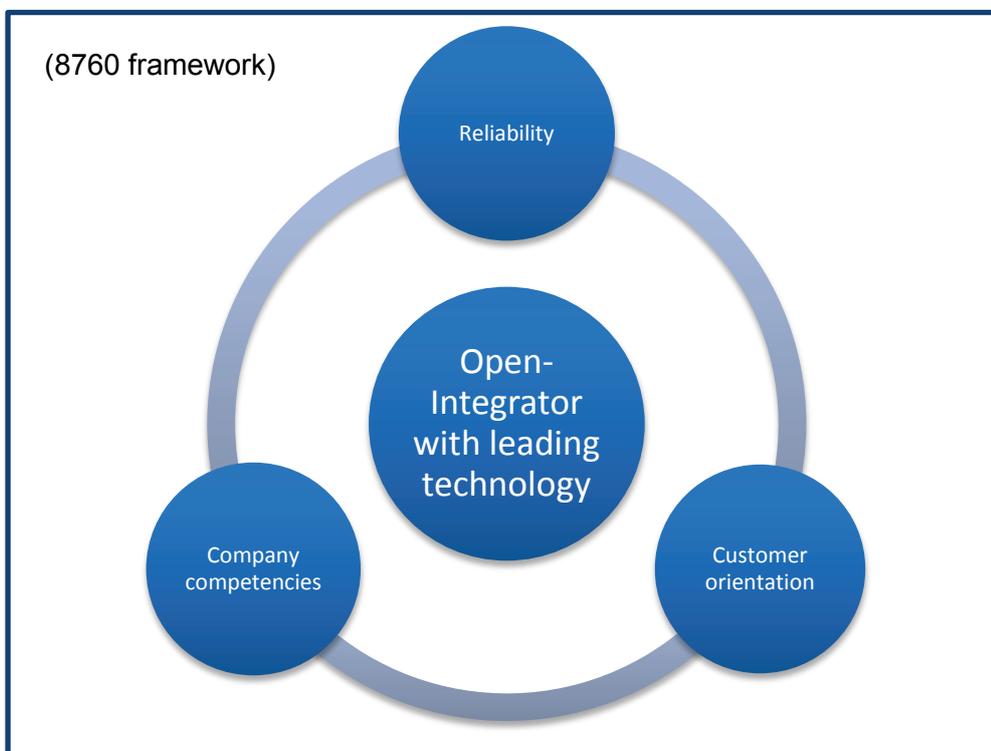


Figure 10: Brand target-model

The company tagline (8760) seems to a degree to be currently the managerial and communicative framework in which the brand managements is operated at although the role of the tagline is far from conclusive. The *tagline discourse*, where 8760 was seen as the value promise of the company was in some way used only by three respondents. In practice this means that the tagline is a shorthand device for communication – it is the visual cue that is supposed to encapsulate the brand associations and value statement together with company logo. From managerial perspective some of the respondents regarded as the

guiding principle of action. For example while discussing about the company's after sales services, one manager commented:

"If we market 8760 and deliver it so then, to respond accordingly, we should have this 8760 support available."

While another elaborated the subject:

"Once again I refer to the operations inside the organization that if we want to offer to the customers such a high quality and reliable [system] that they will achieve that [8760 production hours] so that should reflect to our own policies -- and that will deal with all of the operations of the company."

These two managers clearly use the tagline as the guiding principle in determining how the organization should act. This was not the most prominent pattern though but since some of the managers had some kind of brand identity system formed, the phenomenon is important. The danger is, though, that there's a lack of unified identity since this model was only recognized by three respondents.

Furthermore, the target-model creates a holistic, understandable picture of the brand's current situation but it should not be mistaken as an exact representation, that is, in reality the brand message includes much more ambiguity than can be understood from the model. All of the main headings are created by a process of generalization and the hierarchy of the model is also questionable. For example the subject of reliability is implicitly present in the core as well and the term *integrator* or *open-integrator* was only directly mentioned by three respondents (about 27 %).

Brand Weaknesses

The question number five dealt with the weaknesses of the CC brand and the results are gathered under the main headings listed below:

- Brand equity
- Globalization
- Customer Service

The brand equity related problems along with globalization issues received the highest number of mentions (n=8), respectively. The term *brand equity* was not explicitly mentioned, but many references were made to its sub-categories such as *quality issues*, *lack of awareness*, *lack of unified corporate image*, *lack of identity in general* and *lack of clear communication of the brand message*. These aspects mentioned above are all related to the four aspects of equity presented in chapter 2.1.3 and possess a serious threat to the brand. The low awareness is to a degree explained by the niche-nature of the business but the managers reported high dissatisfaction with the latest numbers received in an awareness survey executed in the autumn of 2013 in a prominent trade show. The company has also suffered lately from some quality issues which – according to the managers referring to them – are hopefully only temporary in nature. One of the managers also doubted whether the brand message was communicated clearly enough and two comments were also received on the lack of unified corporate identity and unique visual appearance of the products, which would distinguish the company's offerings from competitors'.

The company has businesses globally but from the perspective of the brand many problems have risen in the endeavor towards internationalization. Especially in the Asian area the adaptation of the brand message has been insufficient and the awareness of the brand on those markets is also very low. For example web-site design has its special needs which are quite different from the main markets in Europe. And because of relatively small presence in Asia, CC is not perceived as a major player there (which is contrary to the Europe) creating trust issues. The FMS is also quite new approach for example in Chinese markets and thus different approach is necessary for selling and communications there than in Europe or US. Another problem is that both the management and decision making are centralized to the main headquarters in Finland.

The third weakness is customer service. Many managers reported CC being rigid meaning, that the actual customer needs are not always understood or fulfilled. Additionally, the internal stream of information is sometimes slow and communication with the customer is not always close and warm. Rigidity also refers to internal incapability on flexibility meaning the ability fulfil customer needs if they include exceptions to the standard internal processes. In addition,

sometimes the elaborate promises of being capable of almost any kind of integration cannot be fulfilled or the promises shadow the actual customer need. In some cases the genuine dialogue with the customer is missing as well.

5.4 Brand Value, Differentiation and Value

According to the interviews, the CC brand creates value and differentiates itself mainly with:

- Integration skills
- Experience and references
- Performance, quality and control system
- Wide range of offerings

Integration skills (n=13) refer to the ability to integrate together almost any set of machine tools into a working entity including huge amount of competence especially in software engineering. In practice, this means that the solutions are highly customized according to the customer needs. One manager explains the integrator policy:

“We are not committed to any machine tool brand but we have over 60, it think closer to 70 machine tool brands which we have integrated into these systems.”

Later on the same manager continued to explain how the integrator policy differentiates the company:

“...plus the factor that in our automation system many machine tools from different manufactures can be combined. Nobody does that. I mean nobody. We have done many of them. Additionally to our system one can integrate materials and these machine tool pallets and different size of pallets. -- Another differentiating factor is of course our control [system].”

The experience and amount of references was mentioned by most of the respondents (n=12) as a differentiating factor. The long history of the company in addition of being the largest player in the FMS-integration business contributes to a high degree of experience and eventually reliability. The long history and references provide a trustworthy position for the company:

“If we now think about things in the corporate level, we have long history in FMS, maybe in robotics [we are] not as prominent but in the FMS now over 31 years. And then the amount of references. With different machines.”

In practice the large number of references ensures the customer that the risks involved are under control as explained by one manager:

“...and then solutions already carried out at least one or multiple times which ensure the customer that the risk is under control and there is no fear that the system would not do what it was supposed to.”

The perceived size of the company is also quite important factor creating reliability as another respondent stated:

“In the eyes of many customers CC is a lot bigger player than it actually is -- It is a differentiating factor because, as we spoke earlier about how important, how critical these investments are to the customers so that if one thinks that it [CC] is big in terms of finances and resources and also in other ways a supplier who can a) provide what it has committed to and b) react in an efficient way when there are some problems.”

The performance, quality and control of the systems (n=9) was addressed by many managers. This category consists of references to the mechanical quality and performance of the solutions but also to the control system as explained by one respondent:

“Even if one had the finest software to control this system but if the mechanical performance and mechanical reliability is not at its right place so, in the end, it does not support the value sought after – CC has succeeded to position [itself] in a way that what has been delivered in terms of mechanics and technology it has been robust and functional.”

In the automation solutions, control system is nowadays very prominent part creating a competitive advantage in many ways as explained by one manager while discussing how the control system can be used as a differentiator:

“Well, today the value of the control system is more often in major role because there is a need to connect together even more complicated systems and there is a need to get more information out of the system. -- Using the system should be

relatively easy that it is not like that you need a university degree for using it -- If you can create that kind of control system that the customer finds easy to use, it is a hit."

Furthermore, many respondents (n=7) also explicitly mentioned the wide range of offerings as a differentiating factor. One manager eagerly praised the range of offerings being a unique factor:

"And another thing is this scope: no one has this kind of range of offerings, I mean as wide as ours."

The main perspectives of which the managers believe customers are interested in CC's systems are presented below. These views are supposed to reflect the customer needs and eventually also how the brand creates value:

- Reliability and competence
- Payback-time and pricing
- Technical quality and performance
- Fits customer needs
- Ease of use
- Commissioning (delivery)
- Enhance production

The subject of reliability was mentioned by almost every respondent in some form (n=17) including references to company competences which ultimately drives the reliability. The second common subject (n=6) is finances referring the length of payback period and sometimes the investment price. With equal amount of mentions followed the technical quality and performance of the system including also mentions about software or filling the specifications. The suitability and ease of use received 5 mentions, respectively. Ease of use refers for example to user interface and appears as simplicity. The two last perspectives were the commissioning and enhancement of production capacity meaning that the commissioning has to be reliable and in schedule and the system has to provide the value it is promising: increasing production capability and flexibility. Thus the summarized view is to understand that reliability is present in every part of the solution with major focus on technical quality, fulfilling customer needs by increasing production capacity and flexibility (profitable small batch size

production). Additionally the system has to have a relatively short payback-period, commissioned on time and it needs to be easy to use.

5.5 Brand and Organization

The respondent gave quite unanimous views on the responsibility of branding. The common standing was that the main responsibility for branding is at the hands highest management in which the marketing department as a prominent role. The management's task is to provide direction and guidelines so that the brand can be logically implemented and connected with daily operations. Employee involvement and commitment was also seen as important by most of respondents. The leading role of high management and strategic implementation was highlighted by one manager:

"The kind of motor for brand management needs to be the upmost management. And it [the brand] has to be logically linked to that chosen strategic policy."

But while implementing the brand, the viewpoint changed from management to the entire company, expressed by one respondent:

"Everybody should be ready building the brand."

Similarly, another manager went to as far as stating that:

"The whole personnel is the brand."

The last two views stress the high equivalence of daily operations and the brand promise but despite of the high degree of agreement on relationship between brand and organization one manager stated that branding and daily operations are still quite far from each other:

"But operative doing is still operative doing -- the brand is not in mind every day when you do your work."

These views indicate that there is still some ambiguity on how the brand is concretely implemented into the daily life of organization: what does the brand mean in practical work? On the other hand, as mentioned earlier, there were good frameworks for implementing the brand into the daily operations of the company as well.

5.6 Brand Confusion

The question number eight addressed how the respondents would summarize the CC as a company and as a brand. To a degree, the question was also designed to decipher brands vision although the explicit terms was not used because of high ambiguity involved. The respondents provided a wide range of reactions and answers. Most of the answers dealt with providing automation systems but there was no unanimous form which could be understood as brand's value statement, vision or purpose. One of the respondents could not think of any statement while a few others provided the statement with some hesitation. For identification-purposes the actual statements are not published. The general themes revolved around:

- CC being a reliable provider
- CC's understanding of customer needs
- Being an automation solution's provider for machine tools industry
- Partnership
- Maximizing customer's productivity

One manager referred to what he recalled as the official value statement of CC:

“CC is doing factory automation improving customers' competitiveness by making their machines work in 8760”

Later on he recognized it only as the official statement and provided a version using his own terms. Another unclear area was the whole notion of brand and especially branding as a practice. This surfaced in various ways. In the conclusion part of the interview, one manager, after explaining in his own terms the definition of brand, wanted to give an illustrative example of buying a lawnmower and how brand is related to the buying process:

“In many cases brands are not necessarily compared but products of which the brand is of course one part of.”

This statement fundamentally underlines the basic conceptual idea of brand: it's is a group of associations under the general topic of certain product, in this case, a lawnmower. Now later on the manager explained that despite of technical specifications of the lawnmowers, the brands (trademarks) of the products were still important. If the brand was not trusted the technical specifications did not

mean much. This observation suggests, in contrast, that conceptually brand is something hierarchically above products features, that is, it cannot be viewed only as an isolated set of associations but an inherent part of a product. The technical features are actually viewed through the eyeglasses of a brand. Another similar example occurred while discussing with another manager about the central ways CC uses to differentiate itself from competitors. The question was immediately returned with a sharp remark:

“Are we now discussing about the brand or products?”

This further highlights the confusion with branding in relation to products (and other entities for that matter) leaving the topic for further research.

5.7 Interview Limitations

The main limitations of the interviews were the inexperience of the interviewer and the conceptually difficult topic. The interviewer noticed that by the time he got more experience he had better position help the respondents to grasp and sort out their perceptions without biasing the answers. This occurred in various ways. For example the interviewer developed a discerning eye for subtle aspects in the answers pointing out that the respondent did not actually understand the question as intended. Sometimes the initial answers were otherwise incomplete or ambiguous and many additional questions were necessary for complete answer. From another point of view the lack of deepness of the interviews was certainly a limitation – the average of 42 minutes of time per respondent only enabled the interviewer to reveal the general guidelines leaving the more specific aspects for further studies. On the other hand the purpose of the interviews was to obtain only a general understanding on the topic.

The broad and unstructured nature of branding caused some limitations to the interviews. In many cases the respondents hesitated with the answers and their general approach to the topic showed a lack of systematical understanding – although good practical approaches were indeed common. The lack of systematization is not a limitation in itself but it sets some boundaries to the conversation and sometimes placed the interviewer in a difficult position when required of asking multiple screening questions of company’s high manager on an area (close) of his expertise. This was not a major issue, though. From the results’ point of view the greatest limitations are the number of interviewed

managers and the broad approach in general. To gain a broader picture, more managers could have been interviewed. Now the results have a high importance and value but many areas were left for further investigation. The theory clearly points out to the complexity of the branding phenomenon especially regarding the managerial utilization of its value. To properly and deeply understand the brand in the case of a corporate brand, it would be necessary to decipher the whole organizational culture including ways of management.

The brand's value creation in general was not explicitly discussed in the interviews but it was analyzed from the perspective of differentiation and customer expectations focusing on the system itself. This is certainly a limitation since corporate brands provide value not only with physical offerings or even solutions but services. The solution-centered view was due to lack of deep understanding on corporate branding while designing the interview questions which were, thus, formed as too offering (or solution) centric. Now this limitation leaves room for further analysis on what value the customers actually are striving to achieve by investing to flexible manufacturing systems, a topic studied by for example Kumpulainen (2013) with suggestions, that not all of the system benefits are equally important to the customer and that they are determined by each customer's respective needs and ways of manufacturing.

As a conclusion, the interview results are reliable but the results are quite general in nature. The bias is always present in research but through good preparations and careful conduction the effect was minimized. There is absolutely no reason why another researcher could not reconstruct the results in similar circumstances. The results provide a clear platform for understanding the CC company brand with main focus on the general approach on branding, brand's associations and value and the relationship between organization and the brand. From the perspective of brand identity the study goals mentioned in chapter 1.2 were well met and a good overall picture was devised. Next, the customer-based survey is devised to gain an understanding of the current brand image of the Case Company.

6 STUDY ON BRAND IMAGE

6.1 Survey as a Research Method

The questionnaire itself is actually only one part of the survey process, yet it is critical to devise the questionnaire carefully since if poorly designed it will not provide the data required or even worse: it provides incorrect data. The first step is then to determine the objectives the study is trying to reach. With specific target the writer's role is usually more straightforward. Next, the sample must be defined and sampling method and the data collection medium decided. In the business world it is common for a survey to have business objectives which determine the research objectives. In this case, it is important to have enough background data of the type of objectives in order to gain a thorough understanding of the subject under research. It is one of the researcher's crucial skills to turn the objectives of the study into a set of information requirements and form a set of questions accordingly. The data collected should be as accurate as possible even though it is almost impossible to reach complete accuracy in surveys considering respondents behavior or attitudes. The usual problems in using the survey include, just to name a few, ambiguity in the questions, failure of respondent to understand the question, respondent deliberate lying and order effects between and within questions. (Brace 2008, p. 7-13)

The two basic types of questionnaires are the interview-administrated and self-administrated versions. Because of the focus of this study, only the latter is discussed. The major benefit of using self-administrated surveys apart from them being cheaper is that the absence of the interviewer removes a major source of bias giving the respondent easier setting to be honest about sensitive subjects. However, the downside of self-administrative questionnaires is that the interviewer cannot identify whether the respondent has misunderstood the question or to probe for fuller answers. Self-administrative questionnaires are usually done online. The advantages of online surveys are that they are usually fast to complete, visual mediums are possible and sensitive subjects are easier to deal with. On the other hand open-ended messages tend to receive only abbreviated answers. (Brace 2008, pp. 28-33)

There are three types of questions that can be used in a survey. First are the behavioral questions which refer to something the respondent has done or owns.

They can be used to evaluate market size, awareness and usage. Secondly, attitudinal questions may be asked. They refer to how respondents think of something – what their image regarding to it and how would they rate it. Attitudinal questions can be used to decipher images, attitudes and satisfaction. The last category is classification information which refers to for example demographics. They are used to compare the respondents against each other. (Hague, Hague & Morgan 2004, p. 102)

The specific ways to study brand image and identity are free associations tests. The respondents are simply asked what comes to their mind when they think of a certain brand, for example *what does the name Rolex mean to you?* (Keller 2008, pp. 354-360). On the other hand, Supphellen (2000, pp. 323-324) points out that most of brand associations are subconscious and thus difficult to retrieve and analyze. In practice, Keller (2008, pp.328-329) suggest that brand can be deciphered by connecting the brand with statements which the respondent is asked to evaluate (I agree – I do not agree), for example *this brand is innovative*. The same principle applies to various different performance-related perspectives. As a general measure for satisfaction, the willingness-to-recommend is the most popular (Farris, Bendle, Pfeifer, Rubinstein 2006, p. 40) and it is also strongly linked to the likelihood of further purchases.

Attitudinal aspects relevant in this research can be studied in various ways. According to Hague et. al. (2004, p. 103-107) scales are typically used for attitudinal questions and the most commonly used scale is the Likert scale which can be utilized as a verbal or numerical version. Another option is to use adjectives. They can be used for example by asking the respondent to which words best describe a company or a product. One further option is to create word-pairs from which the respondent has to choose one (for example between traditionalist – an experimenter). The use of positioning statements is also useful. In that case the respondent is asked to evaluate on a numerical scale of strongly agree to strongly disagree on various statements (such as *this company is reliable*). The respondent could also be presented a set of arguments to rank in an order in importance (for example buying criteria). According to John, Loken, Kim, Monga (2006) association maps can be used to visualize the results.

Mathematically it is not appropriate to use means or standard deviations on ordinal scales such as Likert scale but in opinion polls they can be used to

construct an overall picture. In this study, the Likert scale is understood in manner where a larger average indicates a greater agreement on the argument (Heikkilä 2010, p. 54). Further analyzes will be conducted utilizing for example percentiles, which summarize important features of the entire distribution (Siegel 2012, p. 76-77). A quick way to display important features to data can be done using boxplot analysis consisting of median, quartiles and possible outliers. Median is the middle value once the data has been arranged in ascending order while quartiles are created by dividing the ascending data into four equal parts (Vining & Kowalski, pp. 54-56). Data points locating far away (over 1.5 times the difference between lower and upper quartile) are considered outliers (Theus & Urbanek 2009, pp. 33-34). The boxplot is then a summary of these five numbers creating a picture of the distribution of the data (Siegel, 2012, pp. 77). It tells the center and spread of the data and where most of the data falls (Vining & Kowalski 2011, pp. 54-56). The analysis, presented in figure 11, is suitable for an ordinal scales. The box, including 50 % of the answers, can also be called IQR (interquartile range).

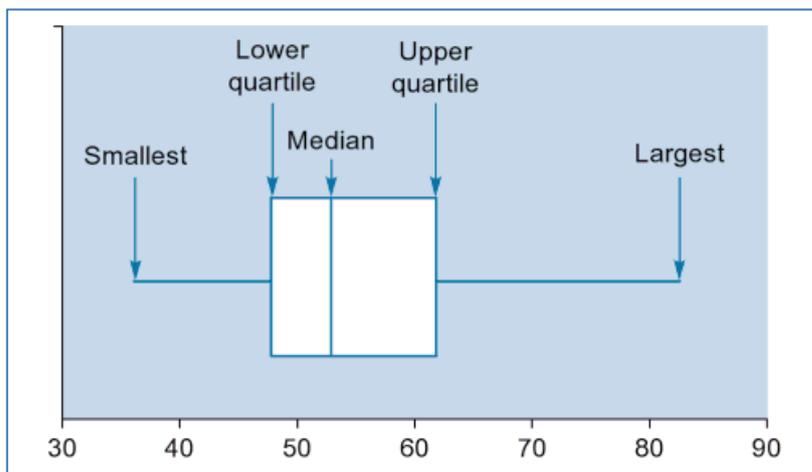


Figure 11: Boxplot sample (Siegel 2012, p. 77)

6.2 Survey Conduction

The study on brand image was conducted as a web-based survey sent to a selected group of automation system customers. The survey goal, derived from the general business goal of this study, is simply *to understand how the key customers of automation solution have perceived the CC brand*. The main viewpoints are listed below:

- What general associations do respondents have?
- What they perceive as the brand's essence and value?
- What are the major improvement points of the brand?

The sampling was conducted using the company's CRM-software with following criteria:

- Gold or preferred customer status
- Has purchased an entire automation system
- Main global regions (Europe, North-America and Asia)

The sampling provided a total of 1716 customer contacts in 312 companies who were contacted using the company's email account used to for example newsletter distribution. In the companies the contacts were chosen so that they were either decision makers themselves or people with power to affect automation investments. The geographical distribution of the sample is presented in table 4. It is notable, that the customer status (gold or preferred) is determined according to purchases in a certain timeframe.

Table 4: Survey sampling

| Region | Sample |
|-------------------------------|-------------|
| Finland | 349 |
| DACH | 675 |
| North America & Asia & Others | 692 |
| Total | 1716 |

The first group consists of only Finnish companies, DACH refers to the German speaking Europe including Germany, Austria, Switzerland and Lichtenstein with survey provided in German. The last group included North America and Asia, where the survey was sent in English including also a few other global contacts not included in regions specified earlier. Finland was not specified as an individual market in the background factors but with was included to Europe. The full questionnaire can be found in appendix 3. It, along with the cover letter, was translated by a professional translator to German. Translating the questionnaire and cover letter was believed to result higher answer percentage and accuracy. The cover letter always included links to both English and German version of the survey. In practice, the questionnaire was created using Webropol 2.0 software

and it consisted of 11 questions. The questionnaire design was devised with help from the company managers in order to include the most relevant perspectives. The main source for the questions was the interview data with some additions from corporate strategy. According to for example Hatch & Schultz (2001, 2003) this approach is recommended since both of them represent the vision (desired image) of the company. The key is to contrast the desired brand message with the one understood by customer (and as a further study subject, whether the organization actually operates according to the desired brand message).

The questionnaire design was based on the suggestions rising from theory (Hague et. al. 2004; Brace 2008; Keller 2008) and included mainly evaluative statements, two open ended question regarding associations and purchasing decision and a ranking of buying criteria. The questionnaire began with four screening questions regarding to the customer type, industry, location and company size. Fifth question simply prompted for three first associations with CC and the sixth dealt with the brands visual identity since in the interviews, company's tagline was seen as prominent brand vehicle from both communicative and managerial perspective. The question was designed to comprehend how important the tagline was to the customer in relation to the company name. The seventh question analyzed the relative importance of certain automation solution characteristics to the customer. Despite of the fact that the question gives no information on their absolute importance, the relative perspective is valid, since the customer-preferred ranking of characteristics should be visible in the brands value statement. In practice this means, that the brand might be emphasizing *right kinds of things* instead *the right things*.

Question number eight and nine included altogether 14 statements to which the respondents were asked to react in a five-point Likert scale. The main themes for the arguments were *CC as an organization, value creation, customer service and overall satisfaction*. To avoid bias in regarding to the order of arguments the Webropol-software was set to randomly organize the list for each respondent. The question number 10 asked where the respondent thinks the company needs most improvement. The question had a list of common themes with a space for short description. The last question simply enquired why the customer has chosen CC over competitors giving the respondent full freedom to express his thoughts and also to leave comments regarding the study.

Before publishing the questionnaire was tested with three company representatives and with their insights it was finalized. The survey was distributed using the company's mailing system on 12.11.2013 with one reminder at 19.11.2013 and it was closed on 23.11.2013. The survey received a total of 144 responses with response rate of 8.4 %. The details can be found in table 5.

Table 5: Survey responses

| Results | English | German | Total |
|--------------------------|---------|--------|------------|
| Opened without an answer | 88 | 42 | 130 |
| Initial results | 52 | 32 | 84 |
| After reminder | 29 | 31 | 60 |
| Final results | 81 | 63 | 144 |

The amount of answers is presented in a table below in table 6. It is notable that the open-ended questions, especially the last one, received slightly fewer responses than closed-ended.

Table 6: Survey response rate

| Question | Answers | Answer-% |
|---|---------|----------|
| 1. Type of customer | 143 | 99 |
| 2. Area of Business | 144 | 100 |
| 3. Geographical location | 143 | 99 |
| 4. Company size | 144 | 99 |
| 5. What are the first 3 things you associate with CC? | 134 | 93 |
| 6. Below you see 2 visual elements: which one you associate CC more strongly? | 144 | 100 |
| 7. Please rank these 4 aspects in CC's solution according to their importance to you* | 144** | 100 |
| 8. Below you see a list of arguments: please evaluate them (1/2)... | 144** | 100 |
| 9. Below you see a list of arguments: please evaluate them (2/2)... | 144** | 100 |
| 10. Where does CC need most improvement? | 121 | 85 |
| 11. Why have you chosen CC over competitors? | 98 | 68 |

The questions 8 and 9 had a total of 14 arguments which usually received 100% response rate but there were some exceptions. The lowest response rate was 142 (99%) meaning that this does not really affect the reliability of the results. In the table, a star (*) indicates a forced answer while a double-star (**) indicates an average.

Before the actual survey results it is important to take a look on the results on background factors. Appendix 4 gathers together the data of customer type, area of business, geographical location and company size. The background analysis reveals that most of the respondents were end-users (86 %) with Europe being the strongest geographical area along (80 %). Mechanical engineering was the most prominent business area with 49 % of responses while machine tool builders and aerospace received 14 % and 13 %. The remaining 24 % respondents listed their business area as *other*. Most of the respondents were from medium or large sized companies with 86 % of respondents were either in an enterprise with more than 100 employees with only 5 % share of small enterprises 1-50. In short, the general picture is that most of the respondents are from medium to large companies from Europe and from the field of mechanical engineering.

6.3 Brand Associations and Visual Appearance

Associations

The fifth question in the survey was: *what are the first three things you associate with CC?* The findings are presented on the next page in figure 12 which is created by comprising both language versions together and grouping the words into larger themes. The most common themes were automation and FMS with direct remarks on either with some minor variations. CC's offerings and their features received also many mentions. The internal distribution of word counts regarding these two factors is presented in appendix 5 along with company characteristics. The offering-category included various mentions on *automated warehouses*, *pallet handling* and *robotics* with *stacker crane systems* and *container-solution* in minor role. Additionally, in the offering features-category technical features were most common with remarks on *unmanned production*, *modularity* and *high capacity*. The themes of *quality* and *flexibility* were also

strong. These three groups form the main body of associations, marked with dark blue color.

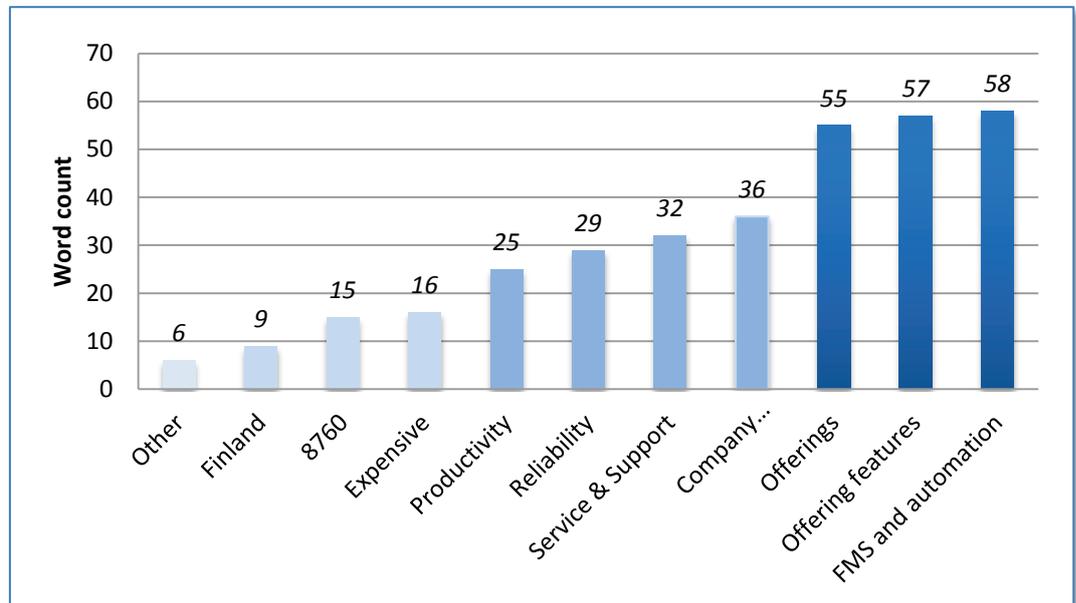


Figure 12: Brand associations according to survey

The next group of associations consists of company characteristics, service & support, reliability and productivity marked with light blue. As mentioned earlier a further outlook on company characteristics is presented in appendix 5 including mentions on company competences such as *software expertise*, *technology* or *skilled employees*. The company position was also addressed with some mentions on *integrator* or *market leader* and also some company characteristics were mentioned. Service & support consisted mainly of references to simply *service* or *good service* with some remarks on support and maintenance as well. Reliability included only explicit mentions on the topic. The last aspect in this middle group was productivity which includes perspectives on *24/7*, *high availability*, *efficiency* or simply *productivity*. The middle group begins to create some substance to the brand – they results begin to reveal on how the customers perceive the company. The last group (marked with very light blue) consists of expensiveness, 8760 and Finland. The high price of the system as a first association can be expected as it also surfaced in the interviews. The company tagline emerged again but in quite minor role along with mentions about country of origin. The category of *other* is marked with white including some unclassifiable answers.

There were also 20 mentions of different problems or areas of improvement within the associations but as a very heterogeneous group it was not included in the figure 12 although the high cost was introduced as a separate aspect. The negative associations revolved around *bad communication*, *delays in schedules* and *technology/product related problems*. From the German markets the lack of teleservice in their mother tongue was seen as a deficiency along with mentions of poor communication in general. The schedule issues were explicitly mentioned as well as remarks on system performance such as unreliability or technical quality.

Brand's Visual Appearance

The sixth question was: *below you see two visual elements – which one you associate to CC more strongly?* It was designed to indicate the favorability between two elements (the company name and tagline) in a scale from 1-5 with 1 indicating full preference of the company name (logo) and 5 preference towards the tagline. The distribution of answers is presented in figure 13 below but the situation is far from evident. The mean score was 2.79 with standard deviation of 1.28 and median of 3 which indicate, that the company logo is slightly more prominent than the tagline.

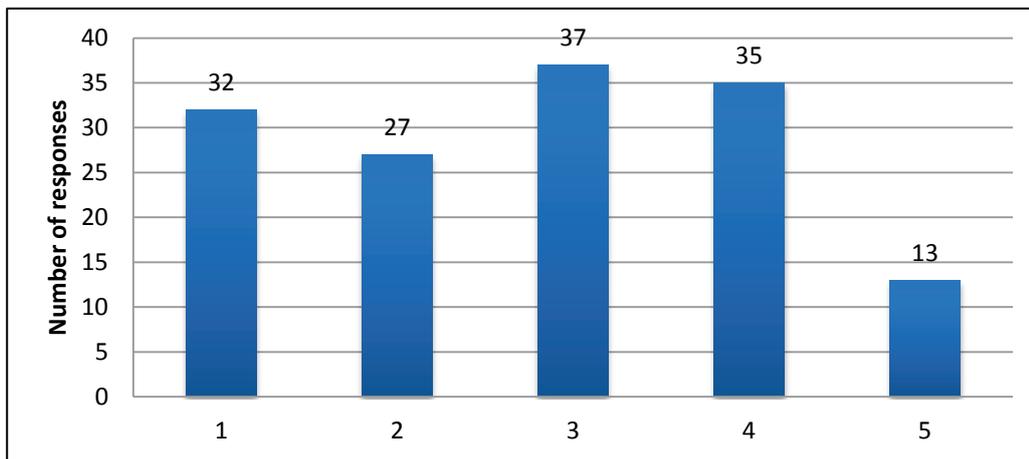


Figure 13: Visual cue importance

For one third of the respondents, though, the tagline was the primary visual cue regarding the company giving it is quite a prominent role especially when contrasting it with the fact that the tagline does not appear in the physical products. On the other hand in many cases the visual cues appear together and

the tagline has a brighter color and more distinct form which might explain the results as well.

6.4 Brand Value and Differentiation

The seventh question presented in the survey was: *please rank these four aspects in CC's solution according to their importance to you*. The analysis is conducted using a boxplots is presented in figure 14 below. The blue area represents where the majority (IQR, 50%) of the data can be found and the whiskers describe the upper and lower quartiles. The white dots represent outlier-values, black dots means and the black lines medians. The figure points out that the reliability of the solution is the most prominent feature and company's history is perceived as least important. The ranking between two middle features is little ambiguous. Despite of the smaller (better) mean and median the ease of use has the similar IQR to software features. This points forward to the variety of features the customers are looking for in FMS, suggested by Kumpulainen (2013).

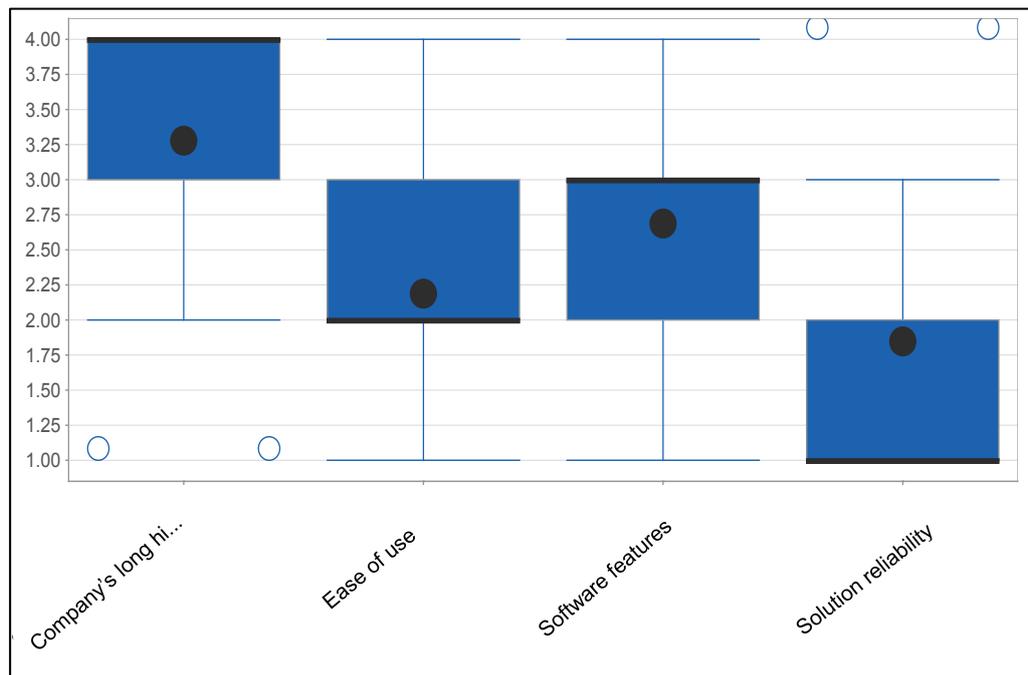


Figure 14: Boxplot analysis on solution features

The questions number 8 and 9 consisted of a total 14 arguments presented in table 6 in ascending order according to mean. The respondents task was as following: *Below you see a list of arguments: please evaluate them according to your experience*. The numbers given to the arguments is the order in which they

were prompted to the survey program which presented them (from 1-7 and 8-14) in a random order. The argument sets were divided into two to make the survey more convenient. As noted earlier, the averages of Likert-scale can be used to gain an overall perspective (Heikkilä 2010). In the table, *N* refers to sample size, *M* to median and *St-dev.* to standard deviation.

Table 7: Results on evaluative statements

| Argument | N | Mean | M | St-dev. |
|--|-----|-------------|----------|-------------|
| 7. CC is affordable | 144 | 2,94 | 3 | 0,89 |
| 4. CC is strong in resources | 144 | 3,38 | 4 | 0,92 |
| 13. CC is a pleasure to deal with | 144 | 3,52 | 4 | 1,00 |
| 1. CC is an industry leader in technical quality | 144 | 3,59 | 4 | 0,90 |
| 14. CC's technical support is excellent | 144 | 3,6 | 4 | 0,94 |
| 12. CC's systems are easy to operate | 142 | 3,7 | 4 | 0,78 |
| 9. CC has a very wide range of solutions | 144 | 3,74 | 4 | 0,77 |
| 6. CC understands our business and needs | 143 | 3,78 | 4 | 0,97 |
| 2. CC is a market leader in FMS integration | 144 | 3,84 | 4 | 0,82 |
| 11. CC is a sign of high quality | 143 | 3,85 | 4 | 0,86 |
| 3. CC is a well-known brand | 144 | 3,92 | 4 | 0,83 |
| 8. CC increases our profitability | 144 | 3,97 | 4 | 0,86 |
| 5. I would recommend CC to others | 144 | 4,08 | 4 | 0,94 |
| 10. CC's systems are reliable | 143 | 4,1 | 4 | 0,90 |
| Overall | | 3,71 | 4 | 0,88 |

The topic of reliability (#10) is very prominent in the results achieving the highest average score while the second place was taken by the willingness to recommend (#5), third by the increase of profitability (#8) and fourth and fifth by brand awareness (#3) and the general topic of quality (#11). This result suggests that CC has created value by increasing customer profitability and being reliable creating also a positive attitude towards the company. The standard deviations, on the other hand, remind that the picture is far from total clarity. Reliability and willingness-to-recommend receive both relatively high ratings (0.9 and 0.94). This clearly indicates, that despite the majority of the customers have been satisfied, there have been some strong exceptions as well. The weakest scores seem to revolve around the price, company resources and customer service.

To further understand the situation, a boxplot analysis is devised, presented in appendix 6. The general picture of the analysis points towards great variance – almost every variable has whiskers spreading from scores of 2-5. Furthermore,

the analysis clearly shows that despite the medians are constantly (with one exception) 4 the spread of the answers differ. The three strongest performers are arguments #5, #8 and #10 confirming that the brand message has indeed been correctly understood: CC's systems are perceived as reliable and increasing profitability with high willingness to recommend them. Similarly the perceived quality (argument #11) received relatively tight IQR indicating constant positive experiences although the IQR range is between 3.5 and 4. Despite of this good starting point, rest of the results are not as glamorous. The weakest performer was – as suspected – the subject of pricing. The arguments relating to customer interactions (#6, #14 and #13) received an IQR ranging of 3-4 with whiskers spreading from 2-5 pointing towards varying experiences. This may suggest that the systems do provide customer value (hence the willingness-to-recommend) but they do not always perform as expected and, more importantly, the general communication with the company is not as pleasant.

The CC brand is also perceived as a *well-known brand* (argument #3). The boxplot analysis is unable to reveal the details because the distribution is very sharp around 4. The question is not intended to understand whether the company brand actually has high awareness but to understand how the customer's perceived it, that is, whether CC has brand leadership. It is notable that leadership can be defined in various ways (Aaker & Joachimsthaler 2000) but in this context it refers to the fact that CC is perceived as a well-known brand with high reliability and quality. The picture of leadership is also supported by the CC brand associations. Despite of perceived brand prominence, the arguments designed to measure technical leadership and positioning (#1 CC is an industry leader in technical quality and #2 CC is a market leader in FMS integration) receive satisfying median (4) but the distribution of the answers are more bent towards neutral views. The picture the customers have is therefore far from obvious. Additionally the respondents only tentatively agree on CC being strong in resources (#4), being easy to use (#12) or having a wide range of products (#9) which all to a degree relate to a leadership position.

As suggested by Farris et. al. (2006) in the context of this study, the willingness-to-recommend is treated as the overall measure for satisfaction – the premise is that it encapsulates all factors related to the interaction with supplier with critical evaluation of system performance and general interaction. Since the argument

has performed well in the survey, it is essential to understand of which factors it is constructed of. A correlation analysis is, therefore, conducted revealing more detailed information on willingness-to-recommend. The analysis is created using Spearman's Rank correlation which is suitable for ordinal data such as Likert scaled arguments (Fink 2003, pp. 60-61). The results are presented in table 8. Brosius (2008, p. 509) suggest that as a general rule, 0-0.2 indicates very weak correlation, 0.2-0.4 indicates weak correlation, 0.4-0.6 medium degree of correlation, 0.6-0.8 strong correlation and 0.8-1 very strong correlation.

Table 8: Correlations regarding to willingness-to-recommend

| Argument | Correlation | p-value |
|---|-------------|---------------------|
| CC is a sign of high quality | 0,51 | p < 0.001 |
| CC is a pleasure to deal with | 0,48 | p < 0.001 |
| CC's technical support is excellent | 0,48 | p < 0.001 |
| CC understands our business and needs | 0,46 | p < 0.001 |
| CC's systems are reliable | 0,4 | p < 0.001 |
| CC is an industry leader in technical quality | 0,38 | p < 0.001 |
| CC is strong in resources | 0,34 | p < 0.001 |
| CC is affordable | 0,33 | p < 0.001 |
| CC's systems are easy to operate | 0,33 | p < 0.001 |
| CC is a market leader in FMS integration | 0,31 | p < 0.001 |
| CC is a well-known brand | 0,31 | p < 0.001 |
| CC increases our profitability | 0,31 | p < 0.001 |
| CC has a very wide range of solutions | 0,3 | p < 0.001 |

All of the correlations on 0.4 or above are highlighted. The table clearly points out, that willingness-to-recommend has a medium correlation with quality, technical support, pleasure-to-deal-with and perceived reliability meaning that positive experiences in these categories are linked into willingness to recommend. The correlation does not itself describe the direction of the relationship (or that if is there's a third aspect causing both of the phenomena) but it is reasonable to deduct that perceived quality is a total construct built from various perspective as suggested by Aaker (1991). It is also interesting that the value (profitability) CC brand provides receives has a surprisingly low correlation with willingness-to-recommend. This may indicate that the primary way of how the customers evaluate the company is trough more human aspects such as service and communication. To further understand the phenomenon, an entire correlation matrix was devised using again the Spearman's rank-correlation and

a correlation map presented in appendix 8 was drawn to illustrate visually the interrelations between the aspects.

The map is created by filtering all correlations of 0.4 or above from the correlation matrix presented in appendix 7 and drawing the lines to represent the connection between the factors. The factors with most connections are perceived quality (#5), pleasure-to-deal-with (#13), willingness-to-recommend (#5) and the quality of technical support (#14). The perceived quality has strong correlation with reliability (0.69) and moderate with willingness-to-recommend (0.51) and pleasure-to-deal-with (0.54). The role of technical support (0.51) is also clearly visible. A tentative argument can be thus presented highlighting the various aspects of perceived quality: both the technical and relational aspects have a say to perceived quality with paramount role on reliability. In addition, technical quality and technical support have quite equal relationship with the quality (0.49 vs 0.51) as well as the easiness-of-operation (0.44).

Another perspective to interpret the map is to focus on what factors are connected to relationship-aspect, meaning pleasure-to-deal-with. The obvious connections are perceived quality (0.54) and technical support (0.56) with moderate correlation on both factors. Additionally fair correlations can be found with willingness-to-recommend (0.48), understanding customer business (0.44), technical quality (0.40) and being strong in resources (0.42). A tentative argument regarding the pleasure-to-deal can be presented as following: the most prominent factor driving pleasure-to-deal with is the general perceived quality and especially the quality of technical support. The end result is a fair (0.48) connection with willingness-to-recommend, that is, when a customer gives a good rating to the general interaction with the supplier, he will more likely recommend it for others as well. It is notable, that these findings are well in line with rest of the literature presented earlier by for example Bendixen et. al. (2004) and Mitchell et. al. (2001).

The results on evaluative statements including boxplots and correlation matrix point towards the fact that CC's offerings provide the value they promote, namely, reliability and increase of profitability. Despite of the good general measures the company has issues in customer interaction and in leadership meaning that customers only tentatively agree on CC being pleasant to deal with or on CC having technical or other kind of leadership. The results in these factors are not

unsatisfactory but they do not promote strong success either. Despite of this, the most likely explanation for strong satisfaction is that the CC brand provides value but there are many areas of problems as well. It is notable that in many cases the least satisfied customers respond to surveys more eagerly causing a negative skewness to results (Farris et. al. 2006). The correlation analysis revealed that the overall satisfaction (willingness-to-recommend) is connected to multiple factors including technical aspects but also the general interaction between the supplier and customer. These results are only suggestive in nature but they point towards corporate and cultural viewpoint on branding – in the solution context it is not viable to try creating a value statement which has not a solid baseline in the capabilities and daily operation of the company (see for example de Chernatony 1999, 2006).

6.5 Areas of Improvement and Reasons to Buy

Areas of improvement

The question 10 dealt with areas of improvement. The relative and absolute results are presented in figure 15. The figure is created by combining the answers from *other*-category to respective existing categories and subtracting also the answer which indicated that they have nothing negative to say.

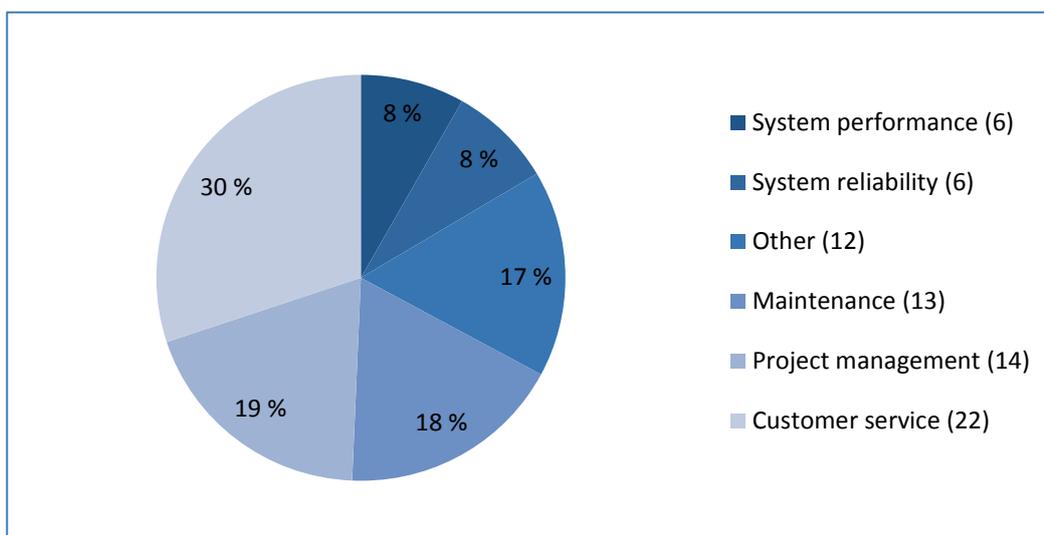


Figure 15: Areas of improvement in percentiles and number of mentions

It is clear, that the aspects related to customer experiences receive the most attention while technical matters raised less concerns with only a 16 % share. These results are in line with results from question 8 and 9 and actually explain

them. The specific issues addressed relating customer service were *bad communication, better support for German language, service and slowness to respond*. It is notable, that many of these issues have elements in the categories of system reliability and maintenance but the perspective is on how the company has handled the situation. The global aspect is present here as well with critique from DACH, North America and Asia regarding presence and support in these areas.

The next categories dealt with project management and maintenance. Project management dealt mostly with the low quality of managing projects revolving around (problematic) *schedules, company being slow and problems in commissioning*. Maintenance related problems were about the *cost and slowness of maintenance*. The fourth largest category of *other* included for example negative remarks on *cost* as well as marketing related issues such as *advertising or market presence*. Seven of the respondents also gave good feedback or listed neutrally, that they have nothing negative to say. Finally, technical aspects received least attention with remarks on *teething problems, some reliability and software issues* and the *need for help in using the system*. The fact that technical aspects raised relatively little attention in this question may indicate, that the company's problems are more prominent in the area of customer interaction. Although the question received a total of 116 responses, only 73 respondents explained the problem. The relative distribution of answer within the problem categories was similar in both groups.

Reasons to buy

The last question simply asked the respondents to list the reasons why they have purchased CC's system instead of competitors'. The results are analyzed by first categorizing the answers and then counting the number of words/terms. List-type of answers were usually split to different categories. The results are presented in figure 16. The two factors with most mentions are system features & characteristics and company reputation. Within the system features the biggest concepts were the company's flexibility and integration skills (12 mentions), technical features (7 mentions) and quality, reliability and ease of use (4 mentions, respectively). The flexibility related to CC was about being able to combine different machine tools into one system hinting towards the role of an integrator although only three respondents mentioned it specifically. The

reputation was built from mentions relating to references or good reputation in general (12 mentions) with remarks such as *[CC is] known as a good system or proven track of record*. Additionally recommendations from third parties such as partners or consults received quite many mentions (a total of 7). The respondent's own experiences with a previous system had also in many cases fostered a positive reputation (12 mentions).

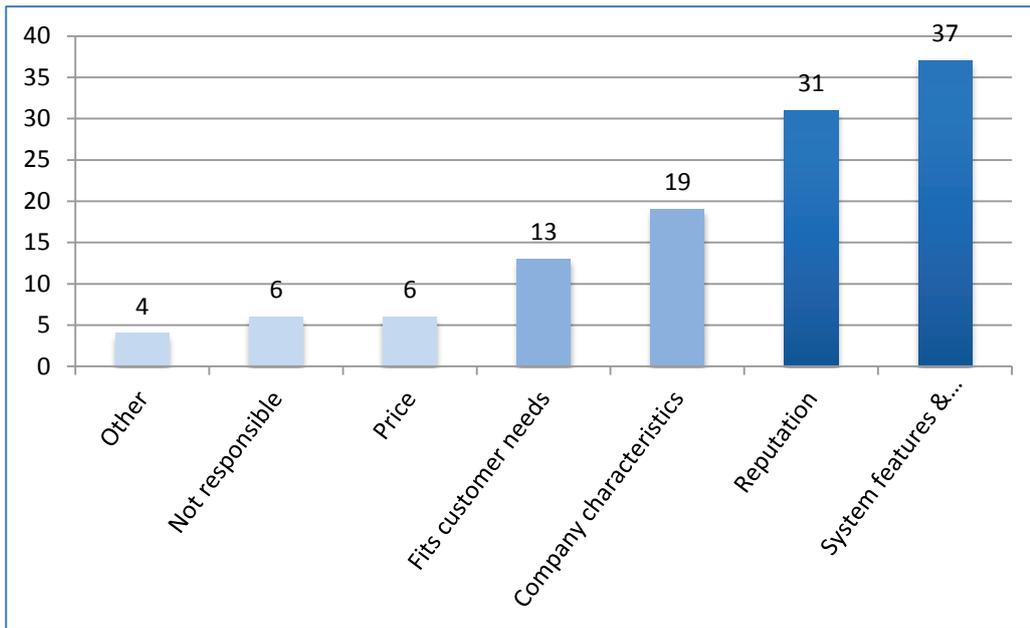


Figure 16: Reasons of purchase

The middle-group is formed by company related characteristics (19 mentions) and fulfilling customer needs (13 mentions). The company related characteristics include CC's knowledge and competences, being a good partner, country of origin (Finland) and some other company traits such as *market leader* or *wide range of solutions*. Many respondents simply stated that the solutions are a good match for their need. Sometimes the CC's solution has been the only one able to provide everything the customer has requested. There were many mentions such *best solution* or *we think they are the best for us*. The three last categories included price (6 mentions), not responsible for purchase (6 mentions) and other (4 mentions). Some of the customers stated that price is not the main driver on purchase decision most likely referring to the fact that despite of relative large initial investment the systems have usually quite fast payback period. Some of the respondents also stated that they were not responsible for purchasing the system and thus unable to comment.

As a conclusion the system's superior features along with good overall reputation and own experiences are the most crucial factors behind the purchase decision. Both the hard (technical) and soft (associations-related) factors have a say with in the buying decision. The solutions suitability for customer needs was emphasized by many respondents but it is quite ambiguous concept since it most likely consists of many sub-factors not specified individually leaving the mentions of little help while trying to comprehend the actual reasons.

6.6 Comparison between Respondent Groups

The company managers highlight the importance of aerospace customers, thus a comparison chart is devised in boxplot form, presented in appendix 9. The figure clearly points out that the overall agreement is better with aerospace in comparison with other customers. Especially the aspects relating to leadership (arguments #1 and #2) perform excellently with additionally better results in argument #14 describing the pleasure to deal with and #12 describing the perceived quality. As a conclusion, aerospace customers are more satisfied and have stronger agreement on company's leadership. It is notable, that aerospace customers have usually purchased a customized solution while in other customer groups, and the share is smaller. The small sample size (N=29) is a potential source of error for the results and they can only be viewed as suggestive.

The importance of the visual cues received very little differences except by comparing the aerospace customers with others. The mean for the others is 2.8 while for aerospace it is 2.5. The medians are 3 and 2, respectively. A boxplot-figure comparing the two groups is presented in appendix 10. The difference with groups IQRs is evident with aerospace focusing more on the company name and others having a more balanced combination. This might indicate that the associations and value promise related to the tagline (8760) are not as relevant to the aerospace customers as what they are to others.

Another perspective for comparison is the company size. Because of a petit sample size in smaller companies, the data was arranged into three categories: small (1-100), medium (101-500) and large (500+). The boxplot-figure comparing the three groups is presented in appendix 11. The aspect of price seems to be most relevant to medium size companies. The reason most likely is not in the company size since it would be reasonable that small companies would find CC

more expensive because of their smaller turnover. On the other hand different size of customer also purchase different kind of systems (modular or customized solutions) leaving the difference under further research. Small companies feel that CC understands their business better in relation to medium or large-size companies but on the other hand they find CC less reliable. Medium and large companies thus perceive CC as more reliable and they react less strongly on pricing. Large size companies perform weakly only regarding argument #8 (CC increases our profitability) where the IQR is wider compared to medium or small size companies. Because of a lack of emerging pattern, the conclusion can be drawn that company size most likely does not effect to brand image or that the effect cannot be judged in the scope of this study.

Geographically only two groups big enough for comparison were Europe (114 responses) and North America (23 responses). A comparison is presented in appendix 12. In overall, North American respondents give CC better ratings especially regarding technical quality, market leadership, range of solutions and perceived quality. On the contrary, European customers have less variation in arguments regarding to pleasure-to-deal-with and CC being strong in resources. The topic of pricing is perceived differently as well – both respondent groups have identical median (3) but European customers have larger spread on the IQR while in North America the responses are all concentrated around 3. This indicates that within European customers there is more variance in how the pricing is perceived and in general. The type of customer did not receive any substantial differences between respondent groups. Next, the limitations of the survey are discussed along with some comments on statistical reliability of the results.

6.7 Survey Limitations

The survey got a total of 144 responses with 8.4 % response rate which is quite expected result but the sample size is not particularly large either. The representativeness of the sample can be questioned since it was distributed via email and in many cases customers with particularly negative experiences use the possibility to vent out their frustration. Additionally, results have no absolute zero, that is, a comparison point with competitors. Now the score of 3 or 4 is only a relative ranking amongst other arguments but as stated earlier, this study will not conduct a competitor analysis leaving it for as a topic of further study.

Another limitation of the survey is the questionnaire-form itself. Despite of testing there is a potential bias in understanding the question and especially combining answers from two language version into one, despite the translation was issued by a native professional. The background information options might be interpreted in different manner for example regarding business area (the company might be a conglomerate) and the same applies to all of the factors. The open ended questions can be assumed as relatively reliable because of their robust design although some odd answers were detected. The question number 10 regarding areas of improvement should have had an option for expressing full satisfaction. Now the other-category received some of this kind of answers.

Further analysis using statistical methods (Webropol's professional statistics) reveal, that the results are only indicative. For example using χ^2 -test there was usually no reliable statistical difference between the evaluative statements and background information except in some individual cases (the test received reliabilities ranging from $p < 0.05$ to $p < 0.9$). By combining the answer groups into nominal data (for example big/small companies, Europe/Others) the statistical reliability was enhanced but still far from conclusive. The analysis using advanced statistical methods is not in the focus of this study though, thus leaving them only in to the role of limitations evaluation. The most likely reason for the difficulty of obtaining statistically reliable results was the skewness in distribution of the answers. For example in the geographical location the distribution was very uneven (strongly biased towards Europe). On the other hand the fact that different respondent groups show little statistically reliable difference is also a positive sign meaning that the company's brand is perceived similarly across the spectrum of customers.

The challenge with the open-ended responses was that usually many different aspects were mentioned and the interpretation of the answer was thus problematic. For example the respondent might begin by mentioning that they have already one system from CC and continue by praising its technical quality. In such cases, the researches job was to carefully determine the right category for the answer. Sometimes (especially in the case of simple lists of features, adjectives or traits) the different aspects of the answers were separated.

7 CONCLUSIONS

7.1 Brand Identity of the Case Company

The brand identity framework by de Chernatony (1999) can be now utilized according to the empirical findings – one major purpose of this study is to analyze how the company brand has been perceived internally and to help the company develop their brand identity. The perspectives raised up by respondents can be used as a starting point in forming the brand vision and other elements of the model. Next, a suggestive version, presented in figure 17 is created according to the findings in the interviews. The utmost perspective is the brand's position, and turning clockwise the next one is brand's personality and finally brand relationships. In the center is the brand's vision and values with also mention on the brand presentation.

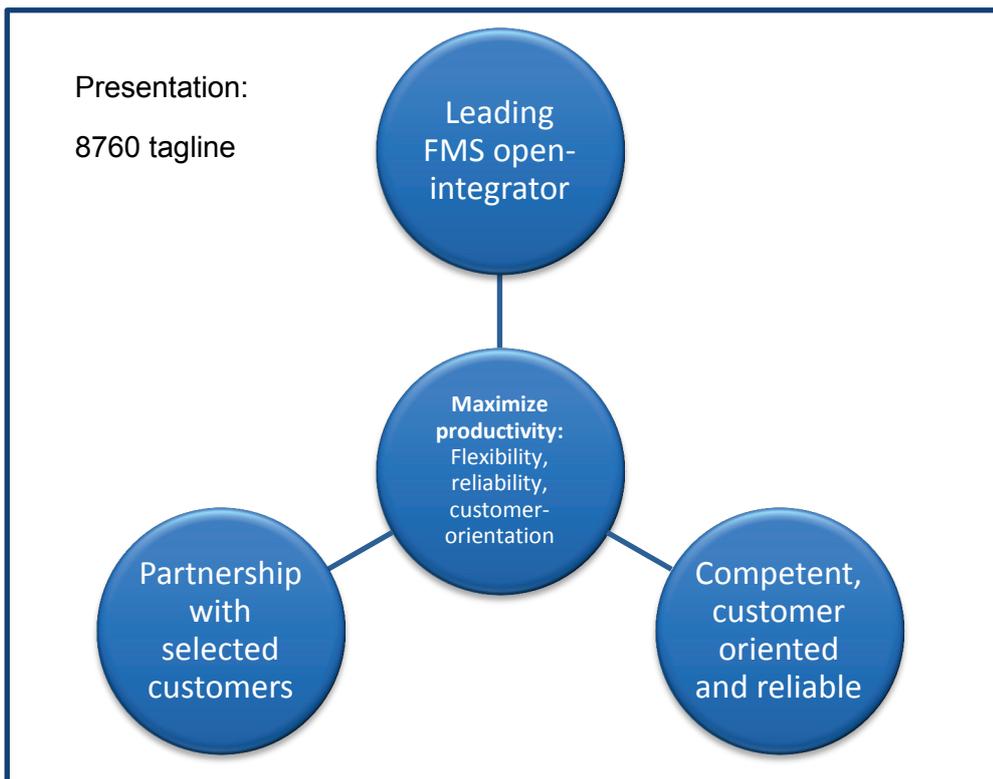


Figure 17: Suggestive model for the brand identity of Case Company

The difficulty of creating a unified brand identity stems from the overall situation in the company – there is no unified brand message, at least one shared by everybody in the top and middle management. This also applies to brand's vision. It is notable, that the following aspects are constructed by interpreting the

interview data as a whole meaning, that for example the brand's personality is constructing using all of the relevant data appeared in the interviews.

Brand's Vision and Culture

In the heart of CC's brand message is to maximize customer's productivity. In the manufacturing context this usually refers to achieving the maximum availability hours for the customer's machine tools. Conceptually this viewpoint is close to the brand's purpose and vision. The culture supporting the brand was, because of its rather deep and complex nature, not in the focus of this study but some implicit views surfaced regarding them during the interviews. The strongest general impression the interviews provided was an orientation towards technology. Most of the discussion on CC's business, products and branding reflected this viewpoint. Another noticeable trend is the fact that CC is quite conservative for example in marketing actions: branding is clearly in the background while considering the daily operations of the company. The conservative nature is typical to the machine tool in industry in general, though.

CC's brand values revolve around flexibility, reliability and customer-orientation. In practice flexibility stands for meeting the customer needs by creating a solution especially designed to fulfil them. Reliability refers to company's trustworthiness meaning, that it will provide what it promises. Finally, customer orientation of course highlights the importance of customer relations in general.

Positioning

CC is the leading open-integrator of flexible manufacturing systems and as such the most capable of providing solutions that provide ultimate customer value. Technical leadership is also seen as major positioning factor illustrating the quality and reliability of the systems and promoting leadership in general. The solutions of the company are targeted to various kinds industrial manufacturing companies with certain batch size and total production volume, that is, companies whose production can genuinely benefit from FMS. The focus of being an open integrator points towards fully customized solutions although the company has modularized standard offerings as well.

Personality

CC's brand is understood as a person who is reliable, customer oriented and competent. In practice this person has, then, good listening and communication skills with also good capability of providing the necessary solutions for the customers. The customer's risk in investing to production automation is extremely high and thus promoting reliability and trust is essential. Furthermore, innovativeness is necessary to technically meet the customer demands and to be perceived as the leading player in the industry.

Presentation and Relationships

Brand's presentation was not in the focus of this study but it was addressed by some of the respondents. The visual cues related to the brand are both the company name and the tagline. In the interviews, three out of eleven respondents mentioned in some way that the company tagline is the goal and value promise of the company. It is notable, therefore, that CC's products only display the company name, not the tagline. In brand relationships, the general the direction is towards partnership. In the interviews, one manager referred to customer relationships by discussing different levels and types of partnership. A deep and mutual relationship is necessary to co-produce a FMS-solution with input from both buyer and seller. Neither the brand's presentation nor relationships were in the focus of this study leaving them for minor attention.

7.2 Improving the Brand Identity

The managerial problems with the CC brand can be summarized under three main headings: *message*, *communication* and *value* which all refer to the common root problem that *the brand has neither unified content nor language and thus a gap has emerged between company's daily operations and the brand's value statement*. Next, each perspective is briefly discussed.

Message refers to the intended, unified value statement designed to assure customer of CC's uniqueness and value. The interviews reveal that such message does not exist in a thought-out, unified form. There are ideas and concepts revolving around productivity, flexibility and availability but the views lacked of focused direction. *Communication* refers to an effective and interesting way of communicating the brand message both internally and externally. One

manager specifically stated that the brand has no success stories referring to the fact, that the brand lacks power in internal communication. The same applies to the external perspective as well. The company tagline is currently in active use and it has gained some awareness, as explicitly mentioned by one manager, but is the communicative power of the tagline used to its full measure? And, furthermore, is the tagline's content in line with the intended brand message?

Value refers to the brand's ability to encapsulate the most essential perspectives the customers are looking for when investing to FMS-solutions. The interviews revealed the major themes involved in the process but there was a lack of clear-cut understanding of what are the most crucial factors and why. There was a general agreement on the group of factors as mentioned earlier but their relative order and importance was ambiguous.

The gap between daily operations and strategy is a result of the three previous perspectives. In practice this means, that the organization does not entirely practice what it preaches (Hatch & Shultz 2001) creating ambiguity over the importance and content of the brand and especially regarding to the value statement. Another perspective of improvement is formed by the brand weaknesses, especially regarding to the problems in brand equity such as lack of awareness or strategically planned visual identity. These aspects form a serious threat to the brand along with the lately experienced quality issues.

To solve the issues raised up by the interviews following – though – questions need to be asked. The first perspective is the brand's core:

1. *What is the vision and purpose of the brand and what are the values it promotes?*
2. *What kind of culture is necessary to support the vision?*

Additionally, the customer experience has to be evaluated focusing on relationships and brand's personality:

3. *What kind of customer relationships the company is after?*
4. *How the company wants to be perceived by the customers in terms of associations and personality traits?*
5. *What are the specific ways in which the brand message is communicated to stakeholders?*

All of these aspects come together in the two last questions regarding value and brand management:

6. *What is the unique value the company is providing?*
7. *What measures will there be to create a systematically managed brand in the company?*

It is notable that further questions of interest such as the design of brand portfolio (brand architecture) or adapting the brand globally can only receive their proper answers when the foundation is adequately laid.

7.3 Brand Image of the Case Company

Another goal for this study was to create a suggestive brand image model for the Case Company. Figure 18 presents CC's brand image perceived by automation solution customers under five main headings:

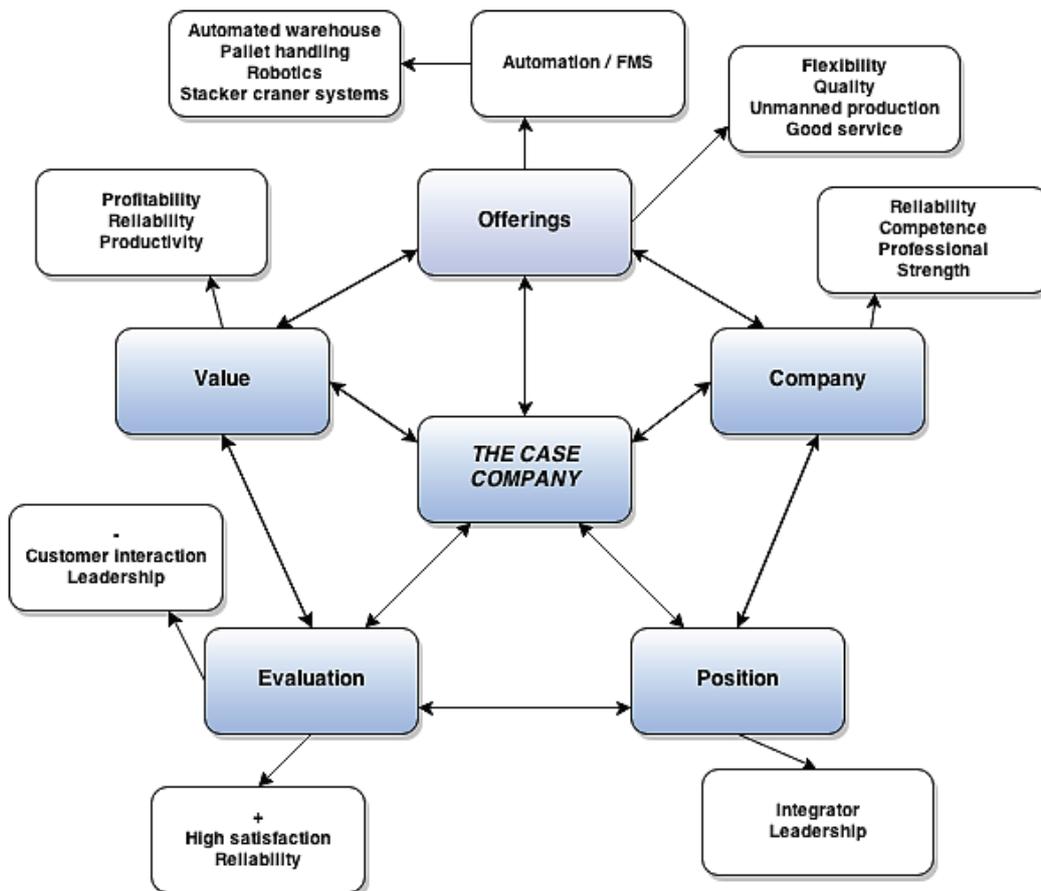


Figure 18: The brand image of Case Company

Apart from the strong baseline in the general theme of automation and FMS with more specific focus on the company offerings and their features, the descriptive aspects CC's brand image revolve around terms such as *reliability*, *flexibility* and *quality*. Additionally, the quality of service and support is strong factor in the brand image as well. The customers see CC as competent regarding both hardware and software with lots of knowhow on both topics. Most of the position-related traits relate to the role of an integrator and market leadership. The brand creates value by increasing customer *profitability*, *productivity* and by *being reliable*.

The company has positive evaluations in overall satisfaction (willingness-to-recommend) and some leadership-characteristics as well. The topic of leadership is a bit inconclusive, though, since despite of being perceived as a well-known brand with high reliability and good quality, the technical and position related arguments only received only mildly positive rankings suggesting that there is still need for improvement in these areas. Another problematic area is the general customer experience. The customers seem to have good general perceptions about CC but for some reason they do not appreciate the interaction with the company. Because of lack of comparison points, the results could be interpreted in a way that negative (or less positive) scores indicate areas of improvement as the results simultaneously point out towards overall satisfaction. Additionally, the background factors revealed that aerospace customers seem to be most satisfied group with little differences utilizing other qualifying factors. It is noticeable that most of aerospace customers have acquired a fully customized system and thus have deeper relationship with CC in comparison with customers of modular products.

Among key customers CC is not perceived as affordable but on the other hand the question does not consider life-cycle-costs leaving some intended ambiguity over the matter – the point of this result is to explain the customers' perceptions which are formed regardless of the factual numbers. Despite of the relatively short payback-period, the customers intuitively perceive CC as being an expensive brand, which in itself is not an entirely negative aspect since high price can be a vital part a premium image. The company tagline received some attention along with company's country of origin suggested by (Kapferer 2008). From visual perspective the brand benefits from both of its visual cues, the

company name and tagline although particularly aerospace customers do to a degree favor the company name over tagline.

The question regarding areas of improvement revealed that the weak sides of CC's brand mainly consisting of customer service and project management which were mentioned by almost 50 % of the respondents. The topic of maintenance was also of high importance. The least mentions were received by system performance and reliability. These results contribute to the overall picture mentioned earlier: the interaction with the customer along with support services needs to be enhanced particularly because the perceived quality (and willingness-to-recommend) has a fair correlation with intangible features as well. The results support the important role of project management capabilities on solution branding suggested by Jalkala & Keränen (2014). In the areas of improvement the technical issues were in minor role which is a somewhat contradictory to the results on evaluative statements. The results may indicate that the technical quality is, after all, a relatively good performer in comparison to the general customer interaction.

An interesting finding in the field of corporate branding is that CC's products themselves (or their features) were mentioned quite frequently as associations or as reasons-to-buy. This indicates that the solutions itself, including certain technical features and capabilities, indeed are important factor in the CC brand. The approach of dealing with both solution and company related aspects was, then, proved fruitful. The findings on the role of offerings themselves in B2B branding are in line with Muylle et. al.'s (2012) suggestions regarding brands risk dilution.

7.4 Brand Identity vs Brand Image

The comparison between brand identity and image is the *magnum opus* of this study. Next, the two aspects are compared phase to phase and eventually a summary is formed.

Associations

Beginning from the field of associations the brand identity receives a relatively good match with brand image. The baseline for both concepts lies in the general topics of *automation* and *FMS*. Next, features relating to the company and its

solutions emerge with good correspondence. The interviews raised up references to CC's products and characteristics describing both the company and the solutions. The same phenomenon occurred in the survey where offering-related associations were strong with specific references to their features. In the survey the references to company products were more detailed than in the interviews, though. The topics left in minor role (pricing, tagline, country of origin) seem to have a common direction as well.

Descriptive traits and personality

The key descriptive aspects of reliability and quality were important in both cases. In the interviews they received, in relation to the survey, little more emphasis since in the interviews they were (along with company and product associations) top-of-the-mind topics. Productivity was relatively important in both studies with a high rank right after general associations. Both the managers and the customers understood CC as an expensive brand. The topic of pricing seems to have some pressure but since most of the customers are willing to recommend CC it seems that the premium price is perceived as providing premium value.

The brand's personality and associations have many points of congruence. The company managers perceived CC as reliable, customer oriented and competent. Many of these factors were present in the survey responses. The managers of the company also emphasized the company's communication skills but the results on this topic are inconclusive. As noted earlier, most of the respondent mentioned *service* as their first association regarding CC. On the other hand the scores on how the respondents would describe the general interaction with CC received a relatively low score with large variance indicating some problems within the area.

Points of Parity and Brand's Core

The studies also included some points of parity. The topic of service (or quality of service) did not appear in the interviews at all. On the other hand it seems reasonable for customers to assess the relationship with supplier in general terms by discussing the kind of service they are receiving, namely, how they perceive the interaction in general. Another interpretation is that they are referring only to the quality maintenance and other after-sales operations. The company tagline (8760) received some interest as well but it clearly had more importance

in the interviews than in the survey indicating that internally it has more prominence although the matter is far from total clarity.

According to the interviews, the technical quality, integration and market leadership are perceived as being in the heart of the brand with purpose on maximizing customer productivity. This picture was somewhat vague in the survey results. On one hand the overall quality and productivity received good scores in the survey associations and also when asked why the customers have purchased CC's systems. Despite of this, the majority of respondent only gave an average rating on CC's technical quality and market leadership although the brand was perceived as well-known and reliable. Furthermore, the technical quality did not receive particularly special interest but CC's systems were perceived as being reliable and providing the value they promise (profitability increase). The results may point towards the fact that customers are not as interested in the technical quality per se but more on the value it provides to them, that is, a reliable system supporting their production needs with a partnership that is pleasure to engage in. It is also notable that the survey did not have any comparison points to competitors and that the quality was measured with a rigorous statement arguing that CC is industry leader in technical quality. This might have caused some respondents to hesitate while answering.

The interviewees mentioned that reliability along with some related competences supporting it are the most important criteria in the purchase decision as well as shorter payback-period, technical features, suitability for customer and the ease of use. All of these factors were reflected back in the survey where the system features and reputation received the most mentions. In the feature ranking question the reliability was also prominent but, as noted earlier, the company's long history and references was listed as least important. Additionally, the perceived size of CC surfaced in the interviews and thus it was tested with question regarding to the CC's resources. In the set of evaluative statements it received results below average certainly creating a point of parity with the interviews where it was explicitly mentioned by some respondents. Possible explanations include ambiguity over the meaning of the question or that the customers actually have a different say on the argument.

The points of congruence and parity are summed up in the figure 19 below. The evidence supports strongly the congruence of reliability, overall quality, increased

profitability, productivity and overall satisfaction. The company position related factors are also quite strong although the picture is not as clear. In the interviews the technical quality and leadership was quite prominent topic but according to the survey the customer's only tentatively agree on the matter. In the points of parity the evidence indicates a lack of customer orientation surfacing for example in project management which is classified as value because of its high importance in solution-business (Jalkala & Keränen, 2014). Another important aspect is the general interaction with the customer, which included some problems. The topic of technical quality is also less clear, since despite of an average score in evaluative statements, many positive technical aspects were recalled when prompted for the reason for purchase.



Figure 19: Brand identity vs image summary

Research questions

The first research question was: *How a solution-oriented B2B brand is effectively managed using the concepts of brand identity and brand image?*

From the basis of this study, a solution-oriented B2B company needs to study the congruence between the intended and perceived brand message. In practice, it is necessary to understand how the company managers perceive the brand, that is,

what the key associations, differentiating factors are and what is the brand's role in the organization. In this context it is notable that the focus on differentiation is on the organizational capabilities covering all of the customer interaction points. After defining the internal brand message, it has to be contrasted with customer views. The analysis will reveal whether the customers have perceived the brand as intended. The most effective and reliable way of gaining good quality data from customers is to design a web-based survey and distribute it via email. Finally the results need to be analyzed for points of congruence and parity with a set of suggestions on how to proceed and improve the situation.

The second research question was: *What incentives and benefits are there to justify brand management investments in B2B context?*

According to findings in literature the biggest incentive for a B2B company to invest in branding is risk dilution. This is especially relevant aspect in this study, since more complex offerings usually need stronger brands to ensure the customer. This is the case particularly with services of which the quality is impossible to be determined beforehand. Another advantage of B2B branding is that it creates strategic direction: when the company organizes itself behind the brand promise, cohesion will occur aligning the company's resources with the customer needs. Brands also provide efficiency in communicating complex value statements. Finally, strong brands create price premiums varying in conservative estimates from 5-15 %. The mechanism behind branding and price premium lies in brand equity. Brand are perceived having equity when they provide customer value through tangible and intangible elements eventually leading into higher satisfaction and willingness-to-pay.

The additional goals of the study were to create suggestive models for brand identity and image and also to provide advice on how the company could proceed with the problematic areas. As noted in chapter 1.2 this study is focused on utilizing the company brand as a strategic asset. That means that the problematic areas presented in figure 19 and elsewhere most likely represent the areas in need of strategic focus directing resources to better meet customer needs thus ensuring the prosperity of the company in the long run. From the strategic perspective the results also highlight the fact that CC's brand has provided competitive advantage in form or risk-dilution, positioning and (most likely) price premiums.

7.5 Theory and Empirical Findings

The general approach on branding in the Case Company is well in line with theoretical findings. In chapter 2.1 de Chernatony & McDonald (1992, pp. 31-41) list several brand functions of which many were confirmed such as differentiation device, communicator of functional capability and a risk reducing device. The brand has also provided competitive advantage to Case Company (Kotler & Keller 2012). Most of the interview respondents understood the basic concept of aligning brand's intended and understood message suggested by for example de Chernatony et. al. (2011) and Srivastava (2011). In general, branding was seen as quite relevant in B2B field as Kotler and Pfoertsch (2006) suggest. The focus on corporation rather than offering suggested by de Chernatony et. al. (2011) was also tentatively confirmed similarly as the focus on customer problem solving rather than offerings themselves suggested by Vargo & Lusch (2004). The Case Company utilizes a monolithic branding strategy with only short descriptions to distinguish the different models of automation systems as suggested by for example Keller (2008). The importance of daily living of brand suggested by Kapferer (2008) was also confirmed along with the country-of-origin effect which was seen as important by some survey and interview respondents.

Another confirmed perspective was the prominence of brand's function as trust-creator suggested by Hutton (1997), Keller (2008), McQuiston & Dickson (1991), Martensen & Gronholdt (2010) and others. The company managers clearly identified the necessity of creating trust in its various forms. Behind the need for risk-dilution was what Brady et. al. (2005) suggest about the importance and high monetary value of solution offerings placing a great pressure on the purchase decision. All this highlights that the brand value statement has to assure the customer of the absolute reliability of the system. The brand architecture and risk model by Muylle et. al. (2012) was also tentatively confirmed by one manager who stated, while asked about the primary concerns of the typical automation solution customer, that the brand has two functions:

“This stability and reliability regarding to the system itself and also regarding to the supplier, that it has the capability for maintenance.”

As the Muylle et. al.'s (2012) model points out, the brand creates trust in two levels: in the company level (umbrella brand) and in the product (line brand) level.

Another confirmed aspect was the existence of price premiums which one manager explicitly stated in believing without any prior cue. The gap between daily operations (culture) and intentions (vision) suggested by Hatch & Shultz (2001, 2003) was acknowledged by a total of four managers while on the contrary some managers perceived that the concepts are well in line. While discussing about the relationship between the brand and organization, one manager explicitly stated:

“...and then a gap has emerged between how we would like to be seen as and how we actually are seen as.”

This incoherence can be dangerous since if the gap is indeed present, it is an alarming signal that it is not detected by everybody. The aspect that in the B2B context products have a minor role in branding was present in the interviews but the survey respondents also highlighted the importance of CC's offerings and their features. In the interviews, most of the references to the brand were company-wide not only relating to a certain solution. These results are somewhat contradictory to the findings by Kuhn. et. al. (2008) who emphasize the brand of the company in regard to individual products.

In the context of the survey willingness-to-recommend (the overall customer satisfaction) seems to be in connection to both technical and more intangible elements such as quality, the-pleasure-to-deal-with, technical support and understanding the customer's business and needs supporting the holistic approach on perceived quality suggested by Aaker & Joachsimsthaler (2000), complexity of solution-oriented businesses by Jalkala & Keränen (2014) and large scope of capabilities necessary to support customer needs in solution business (Payne & Holt 2001; Brady et. al. 2005; Payne & Frow 2005). It has also a strong link with corporate branding (Schultz et. al. 2005)

The importance of quality (Bendixen et. al. 2004) and risk-dilution (Hutton 1997) was also strongly present in the survey results. In the reasons of purchase the large scope of findings suggests that there are in fact various factors influencing the decision. This suggestion is supported by the observation that many of the respondent listed several items to the question while some of the even explicitly stated that the decision was a sum of many factors. This further emphasizes the corporate (and cultural) approach on branding suggested by for example de

Chernatony (1999) and Schultz et. al. (2005) and also relating to the complex and unexplored nature of solution branding suggested by Brady et. al. (2005) and Jalkala & Keränen (2014) among others. Reliability and productivity as individual factors receive a major role in descriptive elements regarding the CC brand. This is well in line with the findings of Bendixen et. al. (2004) and Mitchell et. al. (2001) regarding importance of technical features and perceived quality.

Further research topics

The comparison between brand identity and image made little remarks on the CC brand compared with competitors. This is certainly one of the biggest limitations of the study along with the fact that the questionnaire was not used to study brand internally. This was a deliberate choice, though, reflecting the necessarily explanatory nature of the interviews – the aspects present in the questionnaire were generated using the findings in the interviews. In order to understand brands in their proper context a comparison with other brands is necessary. Because of the focus and scope of this study this was not possible leaving it for a prospective area of future research.

Another major limitation is the interviewed group, namely whether the whole organization of CC has perceived the brand in similar manner than the top and middle managers. From the perspective of corporate branding this is very crucial aspect and future studies might have great prospects on this area. The interviews also revealed some aspects on how the whole concept of branding has made its way into the management of a solution-oriented B2B-company. The attitudes towards branding itself are certainly a topic of interest since the explanatory results revealed plenty of unclarity over the matter. Additionally, both the interviews and survey had quite narrow scope especially when compared to the deepness of B2B branding phenomenon. Thus the concepts of brand identity and image themselves provide a prosperous area for further research in the B2B context.

8 SUMMARY

The goal of this study was to examine how a solution-oriented B2B company can utilize its brand as a strategic asset. The subject was approached by analyzing the intended brand message (brand identity) and contrasting it with customers' perceptions about the brand (brand image) with additional support from a literature analysis on the main benefits and incentives of brand management. In practice, the study utilized a case company as an example.

The brand identity was studied by interviewing a total 11 top and middle managers. The main topics of the interviews dealt with brand associations, differentiation, customer expectations and the relationship between the brand and the organization. According to the findings, the Case Company's brand identity has its core on maximizing customers' productivity. It also revolved around the role of an open-integrator and technical leadership with support from the aspects of quality and reliability. According to the managers, the company brand has also some problems, particularly in the areas of common content, implementation and global presence.

The brand image was studied via an online survey amongst key customers with a sample of 1716 contacts in around 300 companies. The results point out, that in general customers are satisfied with the Case Company and perceive it as reliable and providing the promised value. The areas of improvement revolve around customer interaction and assuring the leadership position. From the respondent groups the customers from aerospace industry were the most satisfied with the Case Company.

The results indicate that analyzing brand identity and image is indeed a viable way of utilizing the value of a company brand strategically. The points of parity between the concepts most likely point towards the most crucial areas of improvement and thus provide strategic direction. The interviews and the survey also confirm the previous findings in B2B branding literature, where the focus is on the reliability and credibility of the supplier. The complex nature of solution branding was confirmed as well. Furthermore, according to the literature analysis, the four most essential benefits of B2B branding are risk dilution, efficiency of communications, strategic direction and price premiums.

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APPENDIX

Appendix 1: Interview Guide

1. Could you shortly describe what is your position in the organization and how is brand related to your job?

Brand associations:

2. When you think about CC's brand, what are the first things or associations that come to your mind?
 - a. Adjectives, traits?
 - b. Why?
3. If CC was a person, what kind of person would he or she be?
 - a. How would he/she act?
 - b. Why?
4. You have described many of your associations related to the CC brand. Here is a picture of a target: what associations and traits regarding to CC would you place to the center and which ones to the outer rings?
 - a. Could you elaborate, why these and this order?
5. From your perspective, does CC's brand have any weaknesses or downsides?
 - a. If yes, what kind of?
 - b. Why is it a weakness or downside?

What makes CC special

6. If you think about a typical customer of CC's automation solutions, which aspects the buyer is most concerned with your solution?
 - a. Why?
 - b. Which concrete parts of the solution?
7. What are the central ways in which CC tries to differentiate itself from competitors?
 - a. How are these displayed in your offering?
 - b. Why?
8. If you would have to describe CC with one sentence, what would it be?

Brand and organization

9. In your opinion, whose job is branding in an organization?
 - a. In what ways?
 - b. Concretely?

10. How would you describe the relationship between CC's brand and organizational policies?
 - a. Do the organization and its policies support the brand?
 - b. In what ways? Why not?

Brand definition

11. In your own words, how would you define the concept of brand?
 - a. What is a brand?
 - b. To what does it boil down to?

Appendix 3: Survey Outline

CASE COMPANY BRAND SURVEY 2013

In Association with Lappeenranta University of Technology

PLEASE REMEMBER THAT ALL ANSWERS ARE UNDER FULL CONFIDENTIALITY!

Background information

1. Area of business (Please tick as appropriate)
 - a. Mechanical engineering
 - b. Machine tool building
 - c. Aerospace
 - d. Other
2. Type of customer (Please tick as appropriate)
 - a. End-user
 - b. Machine tool manufacturer/dealer
3. Geographical location (Please tick according to your location)
 - a. Europe
 - b. Asia
 - c. North America
 - d. Other
4. Company size (in number of employees)
5. What are the first three things you associate with Case Company? (Please note that it is also possible to give more than three)
6. Below you see two visual elements: which one you associate to Case Company more strongly? (Please note that 3 denotes equal importance)
 - a. Company logo
 - b. Company tagline
7. Please rank these four aspects in Case Company's solution according to their importance to you (1 = Most important, 4 = Least important)
 - a. Company's long history and references

- b. Ease of use
- c. Software features
- d. Solution reliability

8. Below you see a list of arguments: please evaluate them according to your experience.

- a. Case Company is an industry leader in technical quality
- b. Case Company is a market leader in FMS integration
- c. Case Company is a well-known brand
- d. Case Company is strong in resources
- e. I would recommend Case Company to others
- f. Case Company understands our business and needs
- g. Case Company is affordable

- h. Case Company increases our profitability
- i. Case Company has a very wide range of solutions
- j. Case Company's systems are reliable
- k. Case Company is a sign of high quality
- l. Case Company's systems are easy to operate
- m. Case Company is a pleasure to deal with
- n. Case Company's technical support is excellent

(5=Strongly agree, 4=Agree, 3=Neither agree or disagree, 2=Disagree, 1=Strongly disagree)

9. Where does Case Company need the most improvement? (Please pick one and specify shortly)

- a. Customer service
- b. Project management
- c. System reliability
- d. System performance
- e. Maintenance

f. Other

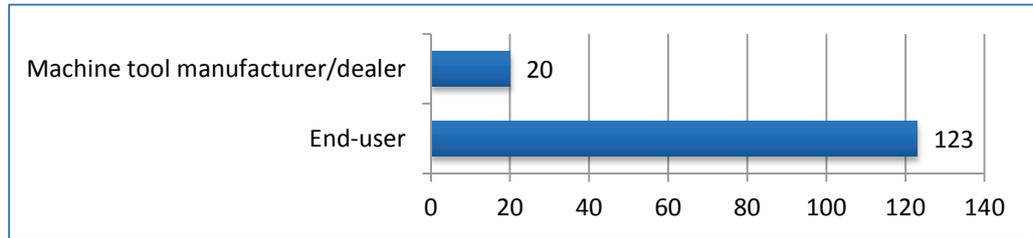
10. Why have you chosen Case Company over competitors? (You can also leave your comments here)

Thank You for participation!

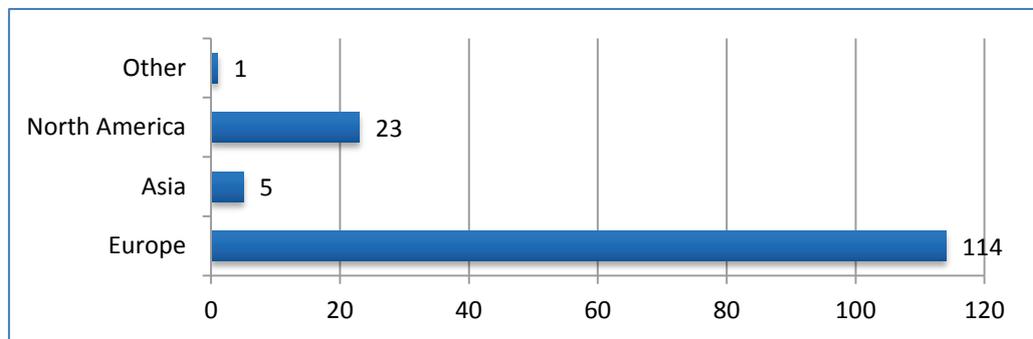
Best regards,
Mikko Tuomaala (Masters' thesis worker)

Appendix 4: Background Information (in number of respondents)

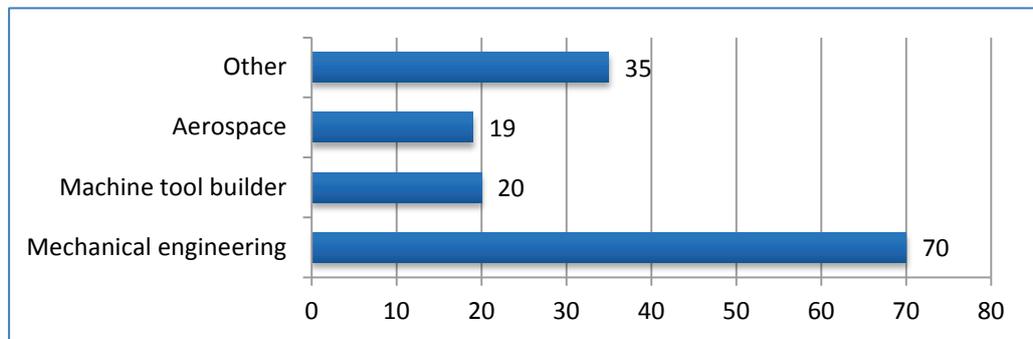
Type of customer:



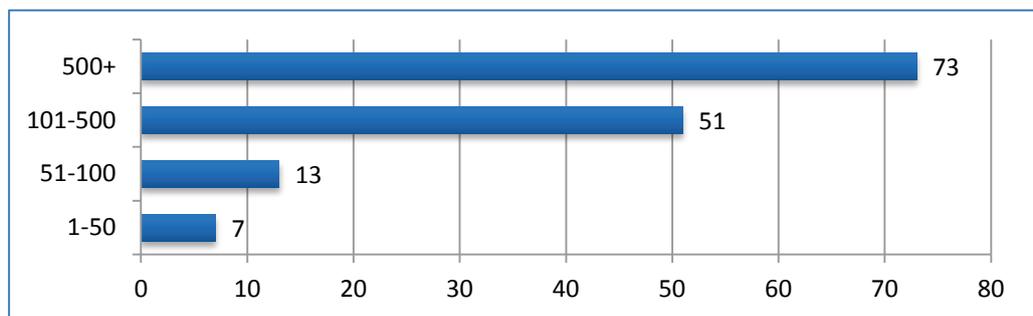
Geographical location:



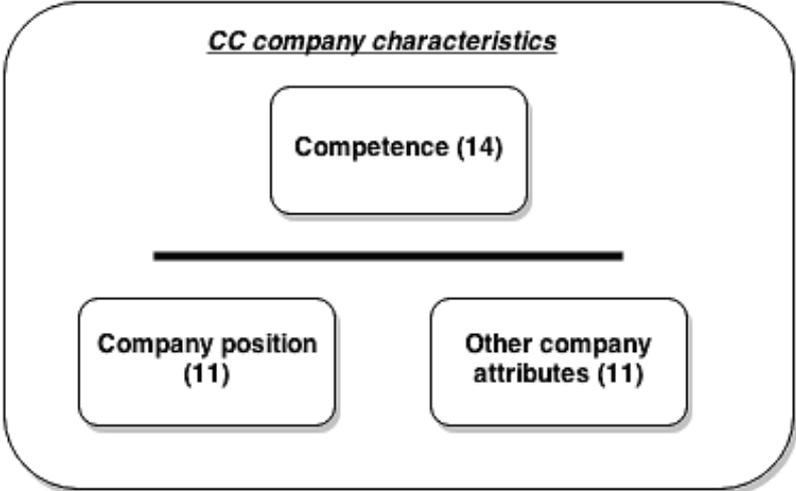
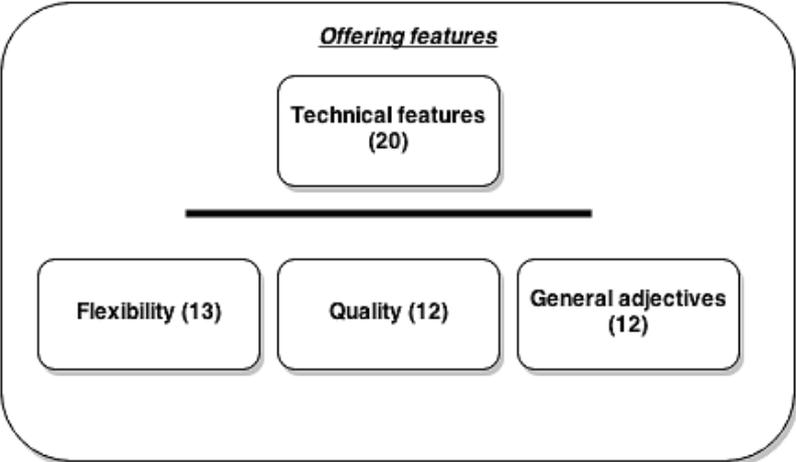
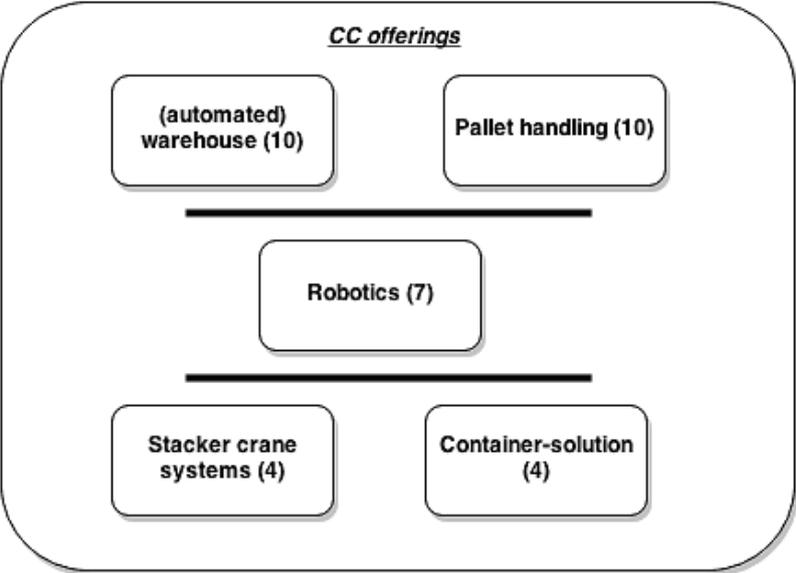
Area of Business:



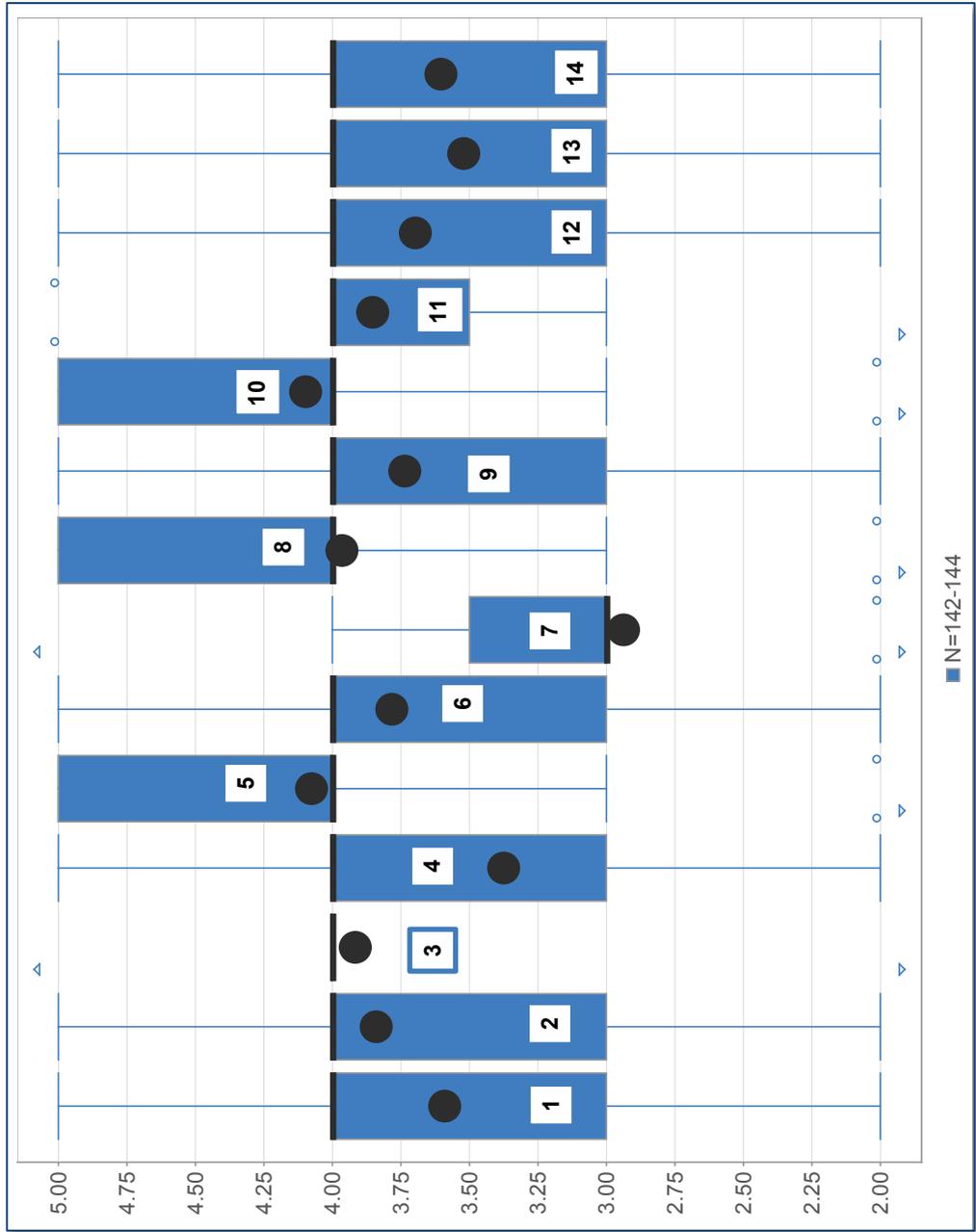
Company Size:



Appendix 5: CC Associations (regarding to offerings, offering features and company characteristics. In number of mentions)



Appendix 6: Evaluative Statements – A boxplot Analysis



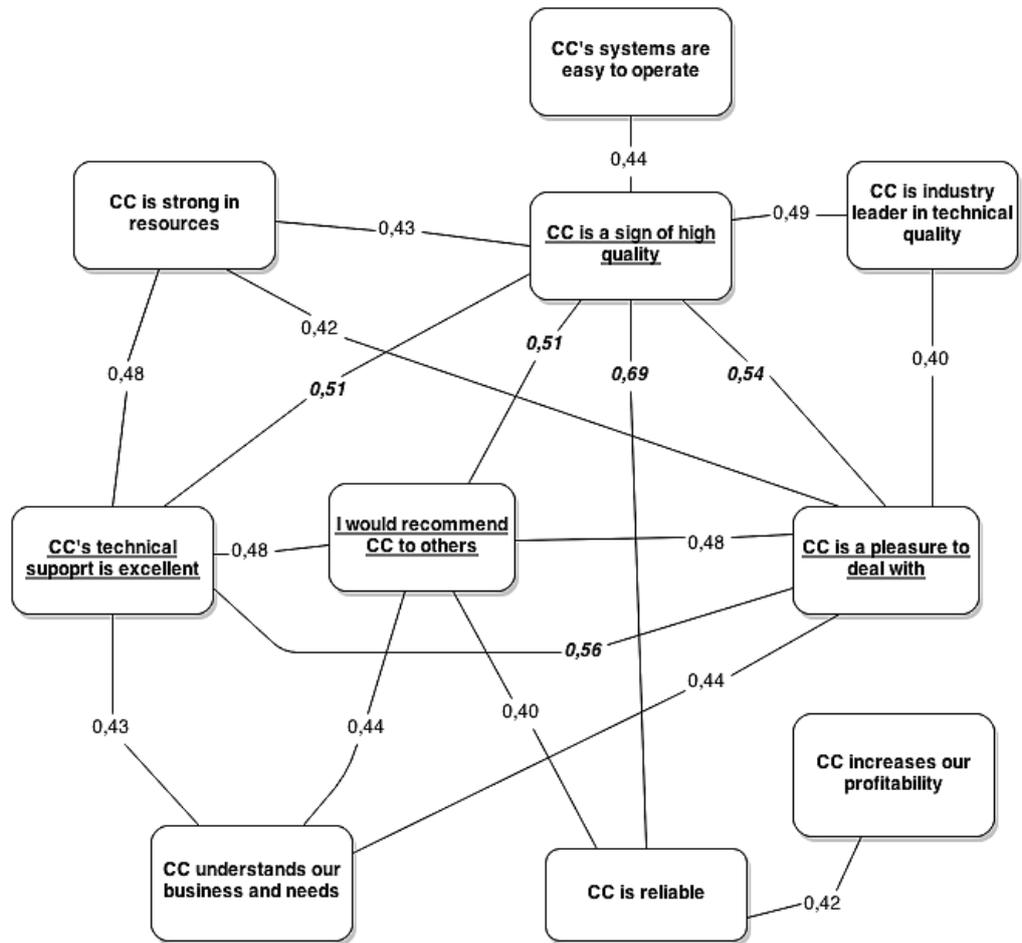
1. CC is an industry leader in technical quality
2. CC is a market leader in FMS integration
3. CC is a well-known brand
4. CC is strong in resources
5. I would recommend CC to others
6. CC understands our business and needs
7. CC is affordable
8. CC increases our profitability
9. CC has a very wide range of solutions
10. CC's systems are reliable
11. CC is a sign of high quality
12. CC's systems are easy to operate
13. CC is a pleasure to deal with
14. CC's technical support is excellent

Appendix 7: Correlation Matrix (Spearman)

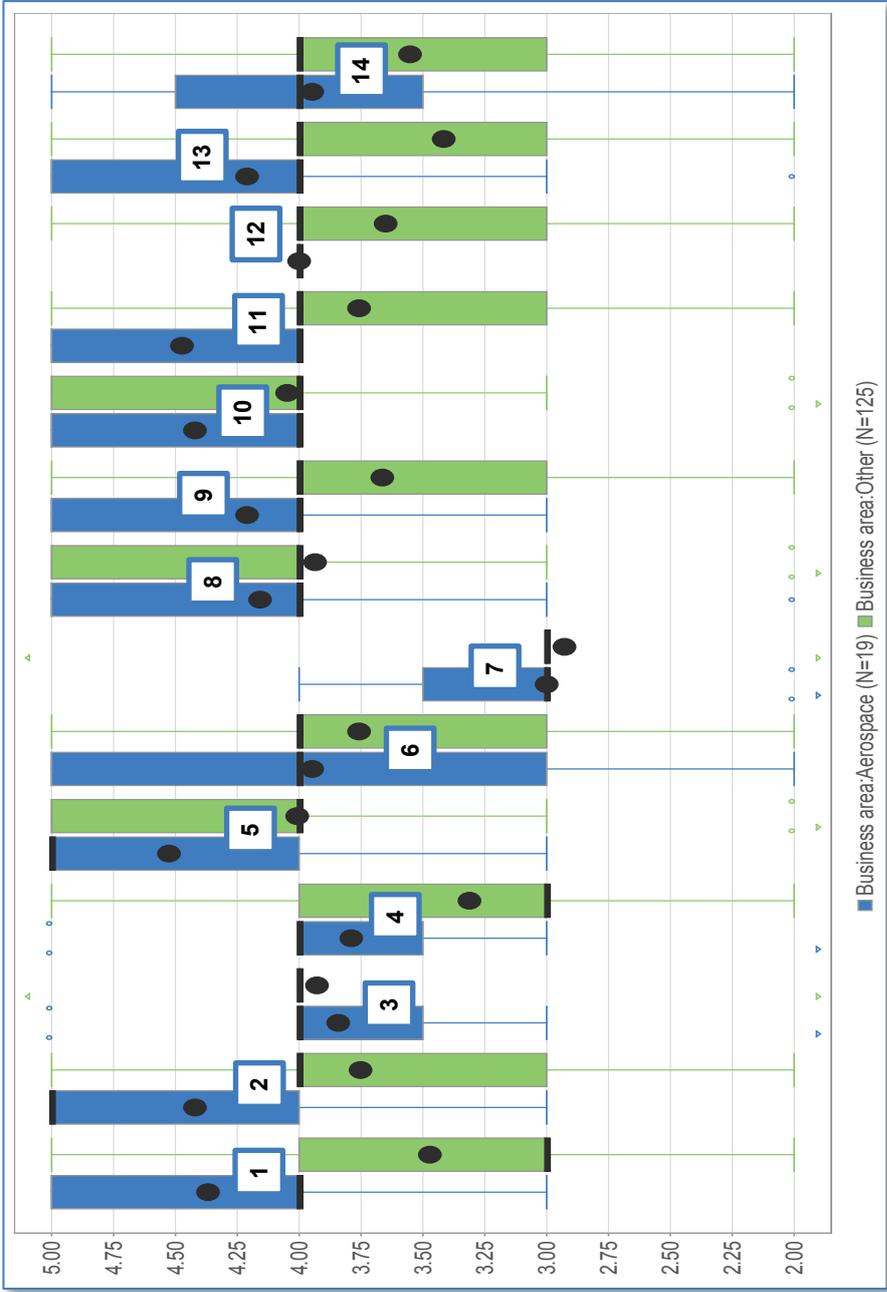
| #1 | #2 | #3 | #4 | #5 | #6 | #7 | #8 | #9 | #10 | #11 | #12 | #13 | #14 |
|-----|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| #1 | 0.49 p=0.000 | 0.3 p=0.000 | 0.39 p=0.000 | 0.38 p=0.000 | 0.3 p=0.000 | 0.18 p=0.031 | 0.2 p=0.013 | 0.25 p=0.001 | 0.33 p=0.000 | 0.49 p=0.000 | 0.3 p=0.000 | 0.4 p=0.000 | 0.38 p=0.000 |
| #2 | 0.49 p=0.000 | 0.31 p=0.000 | 0.27 p=0.001 | 0.31 p=0.001 | 0.32 p=0.000 | 0.15 p=0.071 | 0.2 p=0.014 | 0.23 p=0.005 | 0.21 p=0.012 | 0.33 p=0.000 | 0.26 p=0.002 | 0.22 p=0.006 | 0.26 p=0.001 |
| #3 | 0.3 p=0.000 | 0.31 p=0.001 | 0.3 p=0.000 | 0.31 p=0.000 | 0.37 p=0.000 | 0.17 p=0.042 | 0.21 p=0.009 | 0.14 p=0.095 | 0.23 p=0.007 | 0.24 p=0.003 | 0.17 p=0.039 | 0.18 p=0.028 | 0.3 p=0.000 |
| #4 | 0.39 p=0.000 | 0.27 p=0.001 | 0.3 p=0.000 | 0.34 p=0.000 | 0.35 p=0.000 | 0.17 p=0.039 | 0.26 p=0.002 | 0.31 p=0.000 | 0.33 p=0.000 | 0.43 p=0.000 | 0.38 p=0.000 | 0.42 p=0.000 | 0.48 p=0.000 |
| #5 | 0.38 p=0.000 | 0.31 p=0.000 | 0.31 p=0.000 | 0.34 p=0.000 | 0.46 p=0.000 | 0.33 p=0.000 | 0.31 p=0.000 | 0.3 p=0.000 | 0.4 p=0.000 | 0.51 p=0.000 | 0.33 p=0.000 | 0.48 p=0.000 | 0.48 p=0.000 |
| #6 | 0.3 p=0.000 | 0.32 p=0.000 | 0.37 p=0.000 | 0.35 p=0.000 | 0.46 p=0.000 | 0.15 p=0.078 | 0.29 p=0.000 | 0.37 p=0.000 | 0.34 p=0.000 | 0.42 p=0.000 | 0.16 p=0.059 | 0.44 p=0.000 | 0.43 p=0.000 |
| #7 | 0.18 p=0.032 | 0.15 p=0.074 | 0.17 p=0.047 | 0.33 p=0.000 | 0.15 p=0.076 | 0.1 p=0.237 | 0.1 p=0.237 | 0.16 p=0.048 | 0.24 p=0.004 | 0.21 p=0.012 | 0.12 p=0.137 | 0.22 p=0.007 | 0.15 p=0.065 |
| #8 | 0.2 p=0.018 | 0.2 p=0.015 | 0.21 p=0.010 | 0.26 p=0.002 | 0.31 p=0.000 | 0.1 p=0.263 | 0.1 p=0.263 | 0.23 p=0.004 | 0.42 p=0.000 | 0.39 p=0.000 | 0.23 p=0.005 | 0.23 p=0.006 | 0.16 p=0.055 |
| #9 | 0.25 p=0.002 | 0.23 p=0.005 | 0.14 p=0.110 | 0.31 p=0.000 | 0.37 p=0.000 | 0.16 p=0.056 | 0.23 p=0.006 | 0.38 p=0.000 | 0.34 p=0.000 | 0.38 p=0.000 | 0.26 p=0.002 | 0.32 p=0.000 | 0.22 p=0.008 |
| #10 | 0.33 p=0.000 | 0.21 p=0.013 | 0.23 p=0.008 | 0.33 p=0.000 | 0.4 p=0.000 | 0.24 p=0.004 | 0.42 p=0.000 | 0.34 p=0.000 | 0.34 p=0.000 | 0.69 p=0.000 | 0.39 p=0.000 | 0.28 p=0.000 | 0.31 p=0.000 |
| #11 | 0.49 p=0.000 | 0.33 p=0.000 | 0.24 p=0.003 | 0.43 p=0.000 | 0.51 p=0.000 | 0.21 p=0.011 | 0.39 p=0.000 | 0.38 p=0.000 | 0.69 p=0.000 | 0.44 p=0.000 | 0.44 p=0.000 | 0.54 p=0.000 | 0.51 p=0.000 |
| #12 | 0.3 p=0.000 | 0.26 p=0.002 | 0.17 p=0.042 | 0.33 p=0.000 | 0.16 p=0.064 | 0.12 p=0.139 | 0.23 p=0.004 | 0.26 p=0.002 | 0.39 p=0.000 | 0.44 p=0.000 | 0.29 p=0.001 | 0.29 p=0.000 | 0.36 p=0.000 |
| #13 | 0.4 p=0.000 | 0.22 p=0.007 | 0.18 p=0.024 | 0.48 p=0.000 | 0.44 p=0.000 | 0.22 p=0.008 | 0.23 p=0.006 | 0.32 p=0.000 | 0.28 p=0.001 | 0.54 p=0.000 | 0.29 p=0.000 | 0.29 p=0.000 | 0.56 p=0.000 |
| #14 | 0.38 p=0.000 | 0.26 p=0.002 | 0.3 p=0.000 | 0.48 p=0.000 | 0.43 p=0.000 | 0.15 p=0.062 | 0.16 p=0.043 | 0.22 p=0.008 | 0.31 p=0.000 | 0.51 p=0.000 | 0.36 p=0.000 | 0.56 p=0.000 | 0.56 p=0.000 |

#1 CC is an industry leader in technical quality, #2 CC is a market leader in FMS integration, #3 CC is a well-known brand, #4 CC is strong in resources, #5 I would recommend CC to others, #6 CC understands our business and needs, #7 CC is affordable, #8 CC increases our profitability, #9 CC has a very wide range of solutions, #10 CC's systems are reliable, #11 CC is a sign of high quality, #12 CC's systems are easy to operate, #13 CC is a pleasure to deal with, #14 CC's technical support is excellent.

Appendix 8: Correlation Map (Spearman)



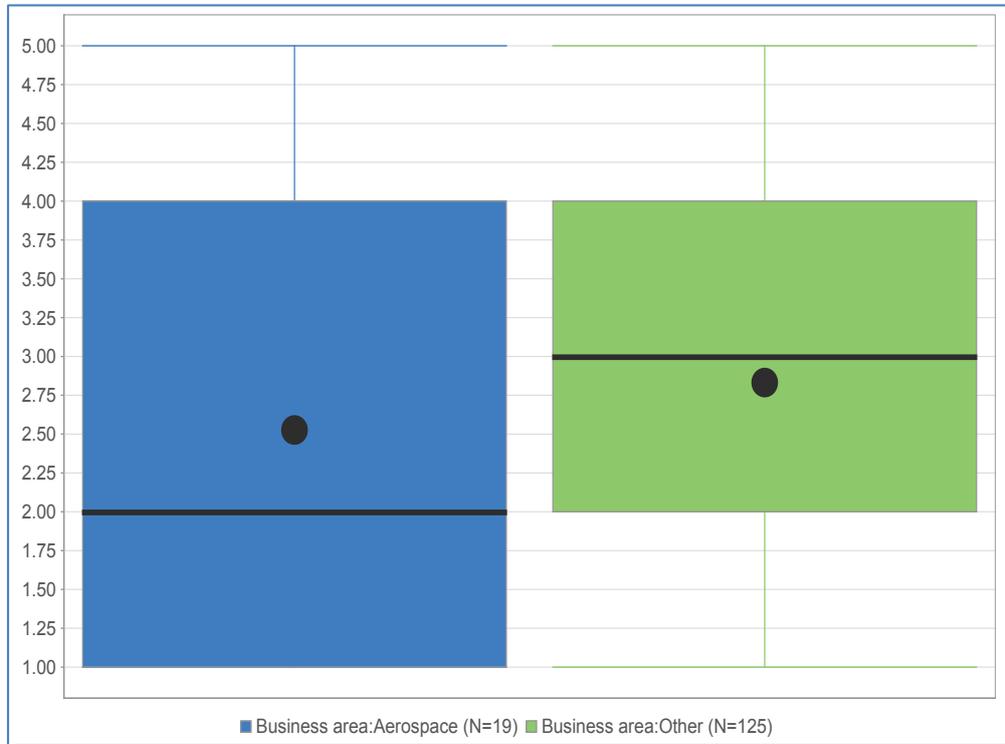
Appendix 9: Evaluative Statements: Aerospace vs others



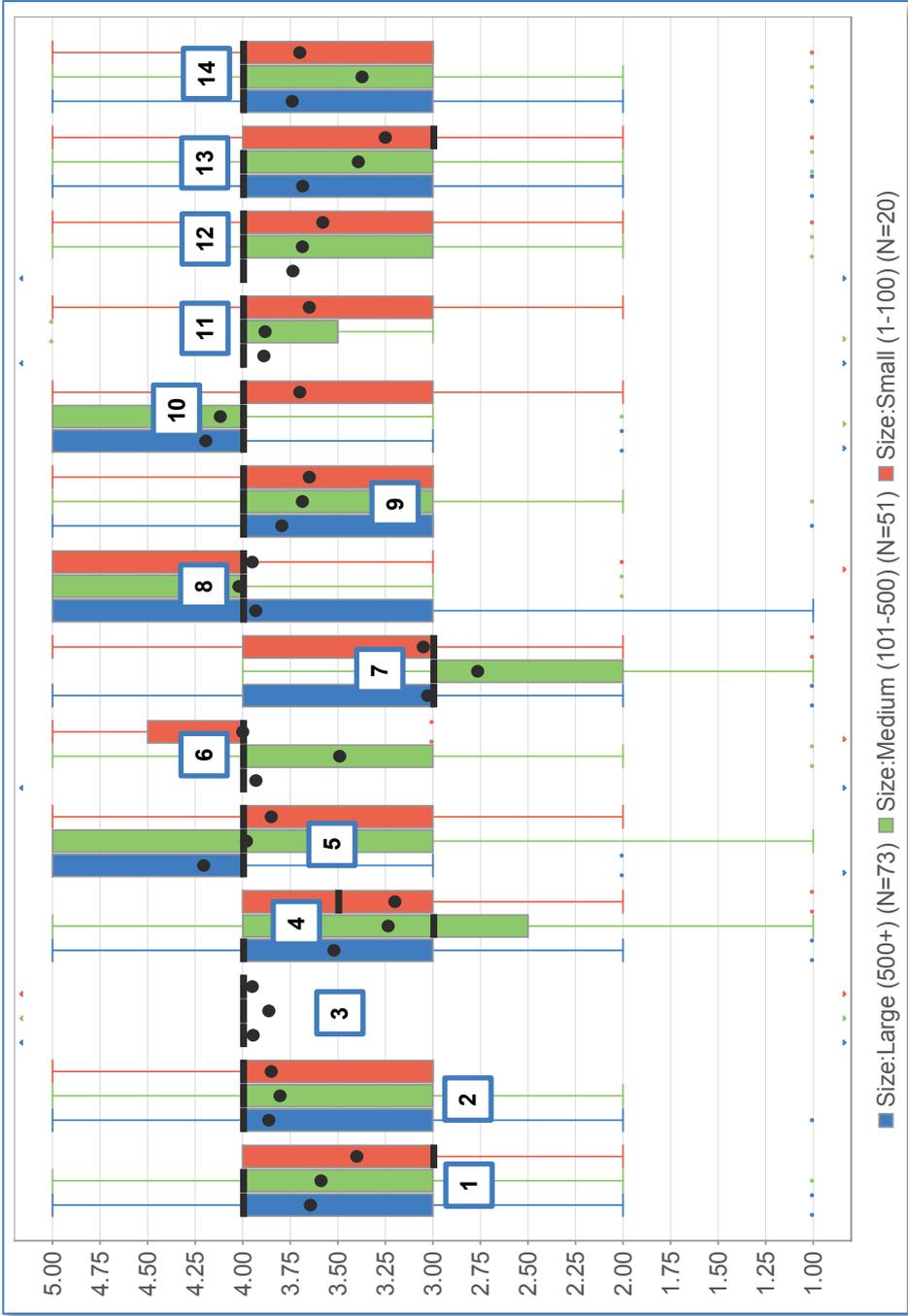
1. CC is an industry leader in technical quality
2. CC is a market leader in FMS integration
3. CC is a well-known brand
4. CC is strong in resources
5. I would recommend CC to others
6. CC understands our business and needs
7. CC is affordable
8. CC increases our profitability
9. CC has a very wide range of solutions
10. CC's systems are reliable
11. CC is a sign of high quality
12. CC's systems are easy to operate
13. CC is a pleasure to deal with
14. CC's technical support is excellent

Appendix 10: Visual Cue Importance – Aerospace vs. others.

Below you see two visual elements: which one you associate to Case Company more strongly? (Please note that 3 denotes equal importance)



Appendix 11: Evaluative Statements – Company size



1. CC is an industry leader in technical quality
2. CC is a market leader in FMS integration
3. CC is a well-known brand
4. CC is strong in resources
5. I would recommend CC to others
6. CC understands our business and needs
7. CC is affordable
8. CC increases our profitability
9. CC has a very wide range of solutions
10. CC's systems are reliable
11. CC is a sign of high quality
12. CC's systems are easy to operate
13. CC is a pleasure to deal with
14. CC's technical support is excellent

Appendix 12: Evaluative statements – Europe vs. North America

