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**AVAILING SOCIAL MEDIA IN BRAND BUILDING AND  
ENHANCING BRAND AWARENESS IN NEW BUSINESSES**

Master's Thesis, 2019

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## **ABSTRACT**

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This master's thesis aims to deepen understanding of brand building and to discover possibilities of utilizing social media to branding purposes. The objective is to identify how brand building process is constructed in new businesses and how social media can be availed throughout this process. The research adopts qualitative research methodology and abductive research process in order to expand knowledge of the research topics. Theoretical base of this research is formed by examining previous brand building literature and focusing on special features of startup companies and small and medium-sized enterprises. After building a theoretical model for brand building process of new businesses, application possibilities of social media are presented. This is followed by describing of how social media can be availed in different phases of new businesses' brand building process. From the qualitative research strategies a multi-case study is selected and two case companies are sampled purposefully. In-depth semi-structured interviews are conducted with the entrepreneurs of new businesses and observation of social media efforts have been availed. The findings suggest that brand building in new business is a continuous learning process that requires investments and resources. The entrepreneur's role in the process is vital. Revised model for brand building process of new businesses is presented to illustrate the empirical findings. Social media can be availed throughout the brand building process after the brand has been created internally. Social media gains highly important role in enhancing brand awareness and making the brand visible. Availing social media by sharing appealing, high quality branded content, encouraging consumers to share user-generated content and showcasing the brand visually to build brand image are found be beneficial means for new businesses.

## TIIVISTELMÄ

Tekijä:	Juulia Rajala
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Tällä Pro Gradu –tutkielmalla pyritään laajentamaan ymmärrystä brändin rakentamisesta ja sosiaalisen median tuomista mahdollisuuksista brändäämiseen. Tavoitteena on selvittää kuinka brändejä rakennetaan uusissa yrityksissä ja kuinka sosiaalista mediaa voidaan hyödyntää brändin rakennusprosessin aikana. Tutkimus on kvalitatiivinen ja omaksuu abduktiivinen lähestymistavan, jotta tietämystä tutkittavista aiheista voidaan lisätä. Tutkimuksen teoreettinen viitekehys rakentuu aikaisemman brändikirjallisuuden pohjalta keskittyen startup-yritysten ja pienten ja keskisuurten yritysten erityispiirteisiin. Teoreettisen brändin rakennusprosessimallin luomisen jälkeen, huomio siirtyy sosiaalisen median eri käyttötapoihin. Sosiaalisen median hyödyntämistä uuden yrityksen eri brändin rakennusprosessin vaiheissa avataan. Monitapaustutkimus valitaan laadullisista tutkimusmenetelmistä ja kaksi tapausyritystä valikoidaan tarkoituksenmukaisesti. Näiden uusien yritysten yrittäjiä haastatellaan perusteellisesti puoli-strukturoidun haastattelun avulla ja sosiaalisen median käyttöä tarkkaillaan. Tulokset vihjaavat, että uusien yritysten brändin rakentaminen on jatkuva oppimisprosessi, joka vaatii investointeja ja resursseja. Yrittäjän rooli on myös elintärkeä. Muokattu malli uusien yritysten brändin rakennusprosessista esitetään empiiristen tulosten tukemiseksi. Sosiaalista mediaa voidaan hyödyntää läpi brändin rakennusprosessin sen jälkeen, kun brändi on luotu yrityksen sisäisesti. Sosiaalisen media rooli on erityisen tärkeä bränditunnettuutta parantaessa ja näkyvyyttä luodessa brändille. Sosiaalisen media hyödyntäminen jakamalla vetoavaa, laadukasta brändisisältöä, kannustamalla kuluttajia jakamaan luomaansa brändisisältöä ja esittelemällä brändiä visuaalisesti brändi-imagon luomiseksi ovat hyödyllisiä keinoja uusien yritysten brändin rakentamisprosessissa.

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## TABLE OF CONTENTS

<b>1. INTRODUCTION .....</b>	<b>8</b>
1.1 Background .....	8
1.2 Research questions .....	10
1.3 Preliminary literature review .....	11
1.4 Theoretical framework.....	14
1.5 Definitions and delimitations .....	15
1.6 Research methodology .....	17
1.7 Structure of the study .....	18
<b>2. LITERATURE REVIEW .....</b>	<b>19</b>
2.1 The role of branding .....	19
2.2 Introduction to brand building.....	21
2.2.1 Brand identity.....	23
2.2.2 Brand awareness.....	24
2.2.3 Brand image .....	26
2.2.4 Brand equity .....	27
2.3 Brand building process in startups, SMEs and new businesses .....	28
2.3.1 Unique features of startups and SMEs .....	28
2.3.2 Brand building in startups and SMEs .....	29
2.3.3 Corporate brand building in startups and SMEs.....	31
2.3.4 Brand building process of new businesses .....	34
2.4 Social media and impact on branding .....	36
2.4.1 Social media as a marketing channel.....	38
2.4.2 Social media as an enabler of two-way communication.....	40
2.4.3 Social media as an interactive platform for consumer engagement.....	42
2.4.4 Social media as a platform for building brand communities .....	43
2.4.5 Social media as a facilitator of co-creation .....	44
2.5 Social media as a brand building platform for new businesses .....	46
2.5.1 Social media and its impact on brand identity .....	47
2.5.2 Social media and enhancing brand awareness.....	47
2.5.3 Social media and creation of brand image .....	49
2.5.4 Social media and building brand equity with customer relationships .....	50

<b>3. RESEARCH DESIGN AND METHODS .....</b>	<b>52</b>
3.1 Research context and case description .....	52
3.2 Data collection methods .....	54
3.3 Data analysis methods .....	56
3.4 Reliability and validity .....	57
3.5 Introduction of the case companies .....	58
<b>4. RESEARCH FINDINGS .....</b>	<b>61</b>
4.1 Commitment to the brand building process.....	61
4.2 Defining branding strategy .....	63
4.3 Creating brand identity .....	64
4.4 Social media in the internal brand creation process .....	69
4.5 Enhancing brand awareness with social media .....	71
4.6 Building brand image with social media .....	77
4.7 Creating brand equity with social media .....	81
4.8 Requirements and challenges of brand building and social media in new businesses .....	82
4.9 Conclusions of the brand building process and the use of social media in new businesses .....	86
<b>5. DISCUSSION AND CONCLUSIONS .....</b>	<b>88</b>
5.1 Theoretical implications.....	90
5.2 Managerial implications.....	96
5.3 Limitations and future research.....	97
<b>LIST OF REFERENCES .....</b>	<b>100</b>

## **APPENDICES**

Appendix 1. Interview questions

**LIST OF FIGURES**

Figure 1. Theoretical framework of the thesis.....	14
Figure 2. PCDL Model (Ghodeswar 2008) .....	22
Figure 3. The five phases of SME brand building (Centeno et al. 2013) .....	30
Figure 4. Brand creation sequence (Bresciani & Eppler 2010).....	31
Figure 5. Brand building process of new businesses. ....	35
Figure 6. Revised brand building process of new businesses.....	92

**LIST OF TABLES**

Table 1. Summary of the interviews. ....	55
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# 1. INTRODUCTION

Social media has given an opportunity for new businesses to build brand awareness and gain growth without spending a fortune on promoting their brand (Basri & Siam 2017). Many new and successful brands, like beauty brand Glossier and online mattress startup Casper, have taken social media to the core of their branding strategy from inception (Hodgson 2019). The aim of this master's thesis is to identify brand building strategies that have enabled new businesses to build their brand and to enhance brand awareness, and to discover how social media can be availed during the brand building process in new businesses.

## 1.1 Background

Social media has changed the way how brands are managed (Davis, Piven & Breazeale 2014; Kohli, Suri & Kapoor 2015). When traditionally investing heavily on building dominant brands meant customer loyalty and sales, social media has drastically changed the branding game (Kohli et al. 2015). We have come far from building a megabrand that rules the market to more human and collective way of branding (Gensler, Völckner, Liu-Thompkins & Wiertz 2013). Companies do not have the power to feed customers with wanted brand messages and stories as branding has moved on to social media (Gensler et al. 2013). Even the smallest mistakes will not be left unnoticed and companies and brands have become more and more transparent (Kohli et al. 2015). These changes have let to that the control of brands is slipping through brand managers' fingers (Gensler et al. 2013; Taiminen & Karjaluoto 2015).

"Today, everything is about Social Media", stated Kaplan and Haenlein (2010, 67) already in 2010 in their paper - a statement that has not changed in nearly a decade. Facebook, Snapchat, Twitter, Instagram and YouTube, to mention few, are used everywhere, anytime. We are connected all the time, all around the world. In their latest Global Digital Report, We are Social and Hootsuite announced that there are almost 3.5 billion active social media users around the world (Kemp 2019). The biggest social media platform Facebook has alone 1.52 billion daily users and 2.32 billion monthly active users (Facebook 2019a). Instagram has over 500 million users that use Instagram Stories daily and over a billion monthly actives (Instagram 2019a). YouTube is being visited by over 1.9

billion logged-in users each month and people watch over a billion hours of video every day (YouTube 2019). Twitter has 126 million daily active users and 321 million monthly users, and Snapchat has 186 million daily active users (Snapchat 2019; Twitter 2019). In addition, over a billion people use communication application, WhatsApp, worldwide (WhatsApp 2019).

Even though social media was created for people, it attracts companies and brands (Fournier & Avery 2011). It seems evident that companies want to be where their customers are. Nisar and Whitehead (2016, 743) even state that “consumers now value social media as a communication medium far more than traditional communication methods”. Building brand awareness, interacting with the customers and using different social media platforms to advertise company’s products becomes even more appealing if traditional marketing media do not attract people anymore (Keller 2009). Companies are looking for digital marketing specialists and universities are offering more and more digital marketing courses to keep up with the changes happening in the business environment. The change has been easy to see everywhere, and social media’s popularity does not seem to be decreasing anytime soon – the number of social media users still increased by 9 % between January 2018 and January 2019 (Kemp 2019).

However, even though social media has challenged brand managers, it has also offered new ways to connect with the customers (Simon & Tossan 2018). Two-way communication enables companies to collect valuable consumer insights rapidly from both existing and potential consumers, and consumers to share their experience and influence on other users’ brand impression (Davis et al. 2014; Hudson, Huang, Roth & Madden 2016). It also provides more intimate way of communication with the customers and decreases misunderstandings (Gao & Feng 2016). Brands are also able to present updated information for consumers and gain exposure through their social media page (Gao & Feng 2016).

Managing social media as a branding and marketing tool is needed to achieve companies’ strategic goals (Wang & Kim 2017). However, companies still seem to have a struggle to find branding model that works in social media (Holt 2016). As brands bring high value to the firms and social media is changing how brands are build and managed, it is highly important to research branding in the social media age (Gensler et al. 2013). Seeking information and understanding the effects of this change can bring notable value to both companies and branding academics (Gensler et al. 2013).

## 1.2 Research questions

Since social media marketing has changed the rules of branding and brand managers are still struggling to find the ways that work in social media (Holt 2016), further research is needed. One way to find better ways to utilize social media is by paying attention to the companies that have been using social media marketing in brand building since their founding. As new businesses do not yet have internal structures and processes in the early phases, they provide a unique context to research branding (Rode & Vallaster 2005). Furthermore, small and medium-sized enterprises (SMEs) are highly important part of Europe's economy, representing 99 percent of all businesses (European Commission 2019). Since the goal of this research is to find how new businesses are using social media effectively to grow their brand and gain brand awareness the main research question is:

***How to avail social media in brand building and increasing brand awareness as a new business in the B2C sector?***

Supporting research questions will profound the learning that can be reached with this thesis. To be able to find strategies that work when building a brand on social media, it is important to research how the brand building process is usually constructed and how new businesses are utilizing it. Therefore the first supporting research question is:

***1. How brand building process is constructed, and how new businesses are utilizing it?***

When creating a brand, one of the most important goals is to build strong brand awareness since it sets the brand's foundation to build other brand elements on (Barreda, Bilgihan, Nusair & Okumus 2015). Therefore it is necessary to look deeper into brand building process and find out about the role of brand awareness. The second supporting research question is:

***2. What is the role of brand awareness in the brand building process and how it supports this process?***

As we have researched the brand building process and the role of brand awareness, we will be taking the next step forward and looking into methods of increasing brand awareness. The third supporting research question therefore is:

***3. What methods can be utilized to increase brand awareness?***

With the help of these research questions, profound research is conducted to gain more knowledge of brand building, social media marketing and the opportunities that it presents to new businesses to build their brands through social media.

### **1.3 Preliminary literature review**

Researchers have seen the change in the branding paradigm during the past decade, and different new aspects that social media has brought to branding have been gaining attention from academics. Focusing on previous research gives a clearer view on how the subjects of brand building and social media marketing have been approached to able to find the possible research gaps.

In their research Fournier and Avery (2011) were questioning whether social media is suitable for brands as it is created for people and brought up that branding's main focus is shifting away from value-creating brand building to risk management. Kohli et al. (2015) took a closer look to building blocks of branding and social media, and discussed the impacts of social media to brand management. They found that the future of branding lays in creating niche brands to smaller groups to more saturated market with fewer dominant brands and satisfying customers' needs as the use of social media enables them to only accept what they expected (Kohli et al. 2015). Alalwan, Rana, Dwivedi and Algharabat (2017) reviewed the existing literature on social media usage for branding issues and stated that almost all of the articles come to a conclusion that social media marketing activities have a pivotal role on branding identification and identity.

Major changes that social media has made in branding have inspired researchers to wonder the future of branding. In their commentary, Melewar and Nguyen (2014) give their thoughts on needed research topics that will have an effect in the area of branding. They believe that social media will be the home for the brand innovation and bring up the importance of researching knowledge acquisition from social media, social media strategic capability and brand likeability (Melewar & Nguyen 2014). Wiedmann (2015) reviews the ongoing discussion on branding and presents challenges for the future of both brands and brand management. He highlights the importance of both academic theory on branding and branding in practice, and the need for their co-operation (Wiedmann 2015).

Startup companies, small businesses and their usage of social media have been in the focus of a few researchers. Virtanen, Björk and Sjötröm (2017) conducted a research

where they studied startup companies' marketing on Instagram by posting content and following and engaging with potential customers to grow awareness. Following people on Instagram was founded to be an effective first-order marketing practice to obtain followers. They also recommended that marketing managers choose carefully which are the metrics to monitor in social media marketing. (Virtanen et al. 2017) Basri and Siam (2017) focused on unleashing the true potential of social media by proving the opportunities it presents in startups. In conclusion they found that social media is able to provide startups and SMEs a long-term growth and provided tips for startups how to use social media (Basri & Siam 2017).

McCann and Barlow (2015) research reasons behind the usage of social media among SMEs and give recommendations on measuring return on investment. They conclude that successful usage of social media demands well-planned social media investments from organizations. Listening what is said about the brand, formulating measurable goals and corresponding metrics before selecting social media platforms is recommended. (McCann & Barlow 2015) Taiminen and Karjaluoto (2015) focus on the usage of digital marketing channels in SMEs and study factors that affect the adoption. They find out that the full potential of digital marketing tools is not utilized and SMEs are not benefiting from the opportunities these tools provide or are even aware of them (Taiminen & Karjaluoto 2015).

Brand building in startup companies and SMEs have been in focus in a few studies. Abimbola (2001) investigates branding as a source of demand stimulation and competitive advantage and presents guidelines for successful brand building in SMEs. Krake (2005) presents models for the role of brand management and for brand development in SMEs and offers guidelines for creating a strong SME brand. In his brand development model, Krake puts an emphasis on the importance of the internal role of brand management. In addition, Krake (2005) highlights that the personnel needs to be as passionate about the brand as the entrepreneur and recognizes the importance of the entrepreneur in brand management and brand development (Krake 2005).

Centeno, Hart and Dinnie (2013) investigate brand building in SMEs and develop a conceptual model of brand building. They find that brand building is a sequential process that includes two stages and five phases which requires different learning outcomes and skills from SME brand managers (Centeno et al. 2013). Bresciani and Eppler (2010) review startup companies' current brand building practices, brand development strategies and problems regarding branding. They imply that branding strategies of startup companies should not be compared to the ones of multinational firms and suggest a

framework and key guidelines for new venture branding (Bresciani & Eppler 2010). Ojasalo, Nätti and Olkkonen (2008) agree that there are special characteristics when it comes to brand building in software SMEs and identify five unique qualities relating to goals and seen benefits, resources, external and internal cooperation, means and communication, and product brand building process and its connection to product development.

Corporate brand building in startup companies and small businesses has been researched by several academics. Rode and Vallaster (2005) evaluate startups' corporate brand development in the early phases of the company. They recognize that corporate identity and corporate culture should be aligned, corporate identity should be communicated to stakeholders and their employees, and employees with aligned values with the corporate culture should be recruited to improve corporate behavior (Rode & Vallaster 2005). Witt and Rode (2005) focus on factors that build startups' internal corporate identity and external corporate image by forming a multi-stage formative measurement model. They suggest that internal branding activities are just as important as communication directed to external audiences and introduce a structural model for brand building (Witt & Rode 2005).

Juntunen, Saraniemi, Halttu and Tähtinen (2010) focus on small businesses' corporate brand building at different stages of business growth and create an empirically grounded framework around the topic. They define six functions of corporate brand building and in each function present the activities performed and the actors involved. One of their conclusions is that the corporate brand building starts before the firm is established and therefore following their framework provides managers a guiding principle to corporate brand building. (Juntunen et al. 2010)

Even though research has been conducted on startups and SMEs, their branding and their use of social media, more profound research on how social media can be availed to brand building in new businesses is needed. Only a few researches have been associating these two topics together as the focus has been either in brand building or in the use of social media. In addition, it is important to understand how new businesses are actually using social media in branding through empirical research to be able to connect the academic research to the business world and give recommendations on how social media can be harnessed to branding effectively.

## 1.4 Theoretical framework

The theoretical framework, that this research is based on, is presented in the Figure 1. It illustrates the brand building process in the new business environment when both the company and the product are new and either the product brand or the corporate brand is undeveloped. Creating a brand internally consists of committing to the brand building process, defining branding strategy and creating brand identity, that is the heart of the brand (Aaker 2010). When the brand has been created, it needs to be introduced to the market and to gain awareness among consumers (Bacik, Fedorko, Nastisin & Gavurova 2018). Therefore enhancing brand awareness has been presented as the next step after creating the brand internally. After the brand has been increasing its brand awareness, brand image starts to build in the minds of consumers (Keller 2009; Aaker 2010). It is necessary that the brand owner makes sure that the perceived brand image is similar to the brand identity (Mindrut, Manolica & Roman 2015). If these are not aligned, adjustments need to be made (Mindrut et al. 2015). Finally, if the brand is received well in the market and the consumers are beginning to form relationships and become loyal, strong brand equity will start to develop (Aaker 2010). Based on this theoretical framework, the role of social media and social media marketing in the brand building process will be analyzed.

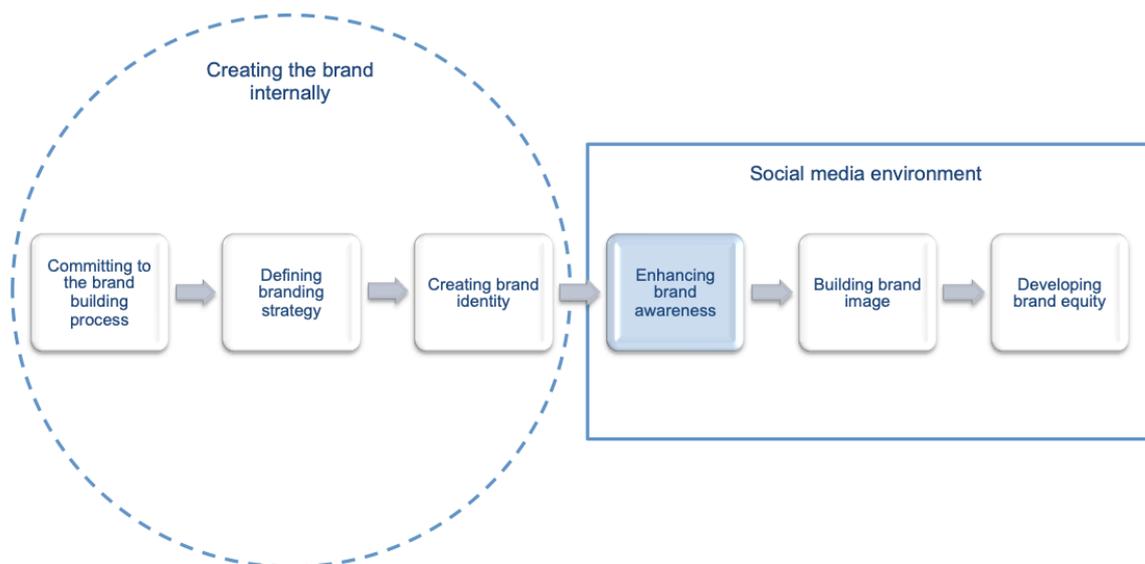


Figure 1. Theoretical framework of the thesis.

## 1.5 Definitions and delimitations

The most important concepts of this research have been defined below. These descriptions aid the reader to adopt the needed definitions to interpret and analyze this thesis. Many concepts can be defined in multiple ways and therefore it is important to clarify the definitions that will be used throughout the thesis.

*Brand:* “A brand is a name, term, design, symbol or any other feature that identifies one seller’s good or service as distinct from those of other sellers” (American Marketing Association 2019). The purpose of a brand is to differentiate a product or service from other products and services that are created to satisfy the same need (Kotler & Keller 2012).

*Brand awareness:* Brand awareness represents the consumers’ ability to recognize or recall a brand (Keller 2001; Keller 2009). It is defined as “the strength of the brand node or trace in memory as reflected by consumers’ ability to recall or recognize the brand under different situations” (Keller 2009, 143).

*Brand equity:* “Brand equity relates to the fact that different outcomes result in the marketing of a product or service because of its brand, as compared to if that same product or service was not identified by that brand” (Keller 2009, 140). It is formed by four dominant assets: brand awareness, brand loyalty, perceived quality and brand associations (Aaker 2010).

*Brand identity:* Brand identity is defined as a group of brand associations describing what the brand stands for (Aaker 2010). Brand identity presents the brand from the brand owner’s viewpoint (Joachimsthaler & Aaker 1997).

*Brand image:* Brand image is defined as “consumer perceptions of and preferences for a brand, as reflected by the various types of brand associations held in consumers’ memory” (Keller 2009, 143). It is presenting perceptions that customers and other stakeholders have about the brand (Aaker 2010).

*Branding strategy:* Decisions about brand elements to be utilized when building a brand. The brand elements can be completely new, borrowed from existing ones, or a mix of both new and existing brand elements. A firm can decide to build an individual brand, family brand, corporate brand, corporate umbrella brand or a sub-brand. (Kotler & Keller 2012)

*Social media:* Kaplan and Haenlein (2010, 61) have defined social media as “a group of Internet-based applications that build on the ideological and technological foundations of Web 2.0, and that allow the creation and exchange of User Generated Content”.

*Social media marketing:* Yadav and Rahman (2017, 1296) have defined “Social Media Marketing (SMM) as a process by which companies create, communicate, and deliver online marketing offerings via social media platforms to build and maintain stakeholder relationships that enhance stakeholders’ value by facilitating interaction, information sharing, offering personalized purchase recommendations, and word of mouth creation among stakeholders about existing and trending products and services”.

Several delimitations of this research have to be addressed. Theoretically, the focus of this thesis is in the brand building process of new brands in startups and SMEs in order to form the theoretical background for new business’ brand building. Therefore, even though some of the aspects of branding and brand building have been assessed in more general manner, the focus is on the startups and SMEs and their special features in the beginning of their brand building process. In this manner, more accurate theory for brand building process in new businesses can be formed. The aim is not to build a brand building model that could be utilized among all companies of all sizes but rather provide a theoretical framework of brand building process of new businesses. Creation of the brand and improving brand awareness to be able to build first brand images in the minds of consumers has been highlighted. Thus, many aspects of further issues of brand building, like creating stronger brand equity, handling brand management and building brand reputation have been left aside.

An important delimitation is that the focus of this thesis is on the use of social media in brand building as a standalone marketing tool without connecting it as a part of integrated marketing communications. Social media and social media marketing have been assessed and the possibilities that these tools have provided to brand building have been highlighted. Therefore, other marketing communication channels have been left aside in the theoretical part of the thesis. Brand building and use of social media have been researched from the viewpoint of a company and therefore the more profound standpoint of the consumers about has been left aside. This means that the brands’ use of social media and the feelings that it represents among consumers have not been assessed. In addition the analysis of the perceived brand image is based on the informants view and might not be exactly the same as described by the consumers.

## 1.6 Research methodology

Since more profound and explanatory understanding of brand building process and the use of social media among new businesses are aimed to be gained, qualitative research was chosen as a research methodology for this thesis. With qualitative research it is possible to develop understanding and expand knowledge (Andriopoulos & Slater 2013). It is relevant for addressing “how” questions instead of numeric “how many” questions, for seeing the world from the viewpoint of those studied and for analyzing processes (Pratt 2009). Qualitative research has been found appropriate for small firm research since it allows researcher to be closer to participants and to see the world from their point of view (Shaw 1990). As small companies are novel and emergent in nature and have unique characteristics when it comes to human participants, qualitative research is the preferred option among small firm researchers (Shaw 1990).

For research process, abductive approach was selected. This approach accepts existing theory but is at the same time less theory-driven than deductive research process. Therefore, data-driven theory generation is possible and case analysis might be better endorsed theoretically. (Järvensivu & Törnroos 2010) Abductive approach enables researcher to change the focus from theory to empirical observations and back continuously, which broadens the understanding of both aspects (Dubois & Gadde 2002). When the objective is to discover new findings, variables or relationships, abductive research process is beneficial (Dubois & Gadde 2002). As the abductive approach allows to gain theoretical insights in addition to possible unexpected empirical findings, original frameworks can be modified favorably accordingly (Dubois & Gadde 2002).

As the goal of this thesis is to gain a broad view on the aspects of brand building and use of social media in the process among new businesses, a multi-case study research strategy was selected. Case study method utilizes real world data to reveal rich information about relationships and connections of different factors (Gummesson 2005). Two case companies were selected purposefully to get a better understanding of how the brand building process and social media appear from the perspective of the entrepreneurs. Research interview was selected as a data collection method to collect rich data and learn about the viewpoint of others (Qu & Dumay 2011). In-depth semi-structured interviews were arranged to collect empirical data in an interactive discussion that allowed interviewees to answer to the questions in their own words and interviewer to

ask follow-up questions. Data analysis included both within-case analysis and cross-case comparison to be able to draw more accurate conclusions.

## **1.7 Structure of the study**

First part of this research focused on introducing the previous research on brand building and social media marketing aiming to build the need for this additional research. This part also introduced the theoretical framework, definitions and delimitations and the research methodology utilized. Secondly, moving on to the theoretical part of the study, profound literature review is being conducted to set a theoretical base for this research that can be found in the chapter two. By examining the previous research on brand building and social media marketing, it is possible to extent the knowledge of these subjects and to attach the study to the previous research without duplicating research that has been already conducted. After forming the theoretical base for the study, more detailed description of the methodology, case description, data collection and data analysis methods are presented in the chapter three. In addition, introduction of the selected case companies is offered. Chapter four introduces the empirical findings of the thesis. Detailed analysis of data collected from the case companies will be presented. Empirical analysis broadens the current academic research of the subject and introduces valuable insights from the business world. Finally, conclusions and discussion will sum up the most valuable results of the study and theoretical and managerial implications will be presented in the chapter five. Furthermore, limitations of this study and suggestions for future research will be introduced.

## **2. LITERATURE REVIEW**

In this part of the master's thesis we will look profoundly into the previous literature on branding, brand building and social media marketing while keeping the focus on the special features and requirements of startup companies, SMEs and thus new companies. The aim is to build a strong theoretical base for this research that enables empirical analysis and connects this research to previous academic literature. In order to gain extensive knowledge of how brand building and social media marketing among new businesses, research of both startup companies and SMEs will be utilized.

### **2.1 The role of branding**

Today, a product or a service or even a business is nothing without a brand (Latiff & Safiee 2015; Mindrut et al. 2015). Building a strong brand is necessary if a company wants to be competitive and to distinguish itself from competitors (Joachimsthaler & Aaker 1997; Krake 2005). Brands are seen as one of the most valuable assets of the company, which means that branding should be a priority of the management (Keller 2001; Ailawadi & Keller 2004; Gensler et al. 2013). Firms of all sizes are able to build their market-based assets through branding which can lead to improved brand value, brand equity and, in the end, profitability (Abimbola 2001). Branding represents an important part of company's marketing strategy and enables both internal and external communication about company's values, mission and vision (Barreda, Bilgihan, Nusair & Okumus 2016). Therefore, successful branding requires linking the firm's internal and external environment favorably and effectively (Abimbola 2001).

A brand can be described by following American Marketing Association's (2019) definition that "a brand is a name, term, design, symbol or any other feature that identifies one seller's good or service as distinct from those of other sellers". The purpose of a brand is to differentiate a product or a service from other products and services that are created to satisfy the same need (Kotler & Keller 2012). A brand can therefore highlight functional, rational or tangible product performance related differences, and symbolic, emotional or intangible aspects that represent what the brand stands for (Kotler & Keller 2012). It is compounded of various elements, such as logo and name, but at the same time is a part of larger networks (Rokka & Canniford 2016). Brand name presents a highly visible, long

lasting element to the consumer and therefore needs to mirror the experience of the brand (Latiff & Safiee 2015). This single word or phrase is required to be transferable worldwide and selected carefully (Latiff & Safiee 2015). A brand can be also seen as the essence of the product that indicates its meaning and direction and defines its identity in time and space (Mindrut et al. 2015). It is important to remember that eventually a brand lives in the minds of consumers (Kotler & Keller 2012).

A strong brand brings notable advantages to both company and customers, for example by providing an opportunity to sell with premium prices for the company and by giving confidence in their choices to the customers (Ojasalo et al. 2008). Increased marketing effectiveness is one of the most important benefits of a strong brand (Ojasalo et al. 2008; Keller 2009). It also gives the firm a competitive intangible asset, as a brand might be impossible to copy by competitors (Abimbola 2001). Other important advantages that a strong brand with great equity can present to the firm are for example increased customer loyalty, protection to be influenced by competitive marketing actions or possible crises, decreased negative impact of price adjustments' on customer responses and greater opportunities to license or create brand extensions (Keller 2001). In addition, building a brand facilitates upcoming new product launches and improves the possibility to succeed when the brand already has a presence in the market (Abimbola 2001).

The brand landscape has evolved due to many changes, which has led to that brand managers are not controlling their brands alone. Traditionally, information-processing theories of consumer behavior were the base for brand management and brands were believed to be assets that firms can control and build in consumers' minds with marketing activities. (Gensler et al. 2013) Recently brand management has become a complex, co-creational process that involves not only the brand managers but also other stakeholders (Ramaswamy & Ozcan 2016). This means that brand management is managing the quality of joint creation processes and creating favorable ecosystem for co-creation (Ramaswamy & Ozcan 2016). In addition, it includes analyzing how a brand is understood in the market and planning where it should be (Moro & Rita 2018).

Before the change in the paradigm, companies relayed on traditional branding that required heavy investments to build megabrands. However as new brands are easier to introduce with fraction of the big brands' marketing budget, market is getting saturated, brands stay dominant for a shorter time and creating megabrands is becoming increasingly difficult. There is an increasing need for branding to be transparent and, to lesser extent, depended on physical attributes. (Kohli et al. 2015) Managing a brand also

includes risk management that has become more important as brands need to be more transparent in the world of hyper-criticism and social empowerment (Fournier & Avery 2011).

## **2.2 Introduction to brand building**

Building a brand is challenging (Aaker 2010). It is not an overnight task but rather a long-term process that brings significant value to the firm (Bacik et al. 2018). Brand building requires notable amount of effort and financial investments since brand assets need to be adapted and maintained over time (Aaker 2004). When a company agrees to start the branding building process, it can decide whether to brand the product or the service as its own brand, as a sub-brand, or as a part of a family brand (Kotler & Keller 2012). If the products or services are distinctively different, creating own brand names is considered as a better strategy (Kotler & Keller 2012). By choosing this strategy, company's reputation is in lesser extent affected by the negative reactions if the product or service is not considered as good quality (Aaker 2004; Kotler & Keller 2012). Alternatively, the company can brand itself to present the corporate organization and its offerings (Aaker 2004). Even though building a corporate brand presents its own risks, it provides a way to not only increase awareness of the organization but also of the products it represents (Aaker 2004; Witt & Rode 2005).

Researchers have introduced different intakes on brand building process over the years. For example, de Chernatony (2002) proposes that brand building is a sequential, mostly internal process, that contains eight building blocks starting from brand vision to organizational culture, brand objectives, audit brandsphere, brand essence, internal implementation, brand resourcing and brand evaluation. Brand vision, that includes the envisioned future, the brand purpose and brand values, starts this brand building process that will be assessed and enhanced continuously (de Chernatony 2002). The brand values and purpose have been seen as a starting point for brand building as dimensions of brand identity that has been highlighted by several researchers as the first and one of the most important step in the brand building process (Joachimsthaler & Aaker 1997; Keller 2001; Keller 2009; Aaker 2010; Kotler & Keller 2012). Ghodeswar (2008) proposes an alternative view on the brand building process by introducing a four-step model for brand building called PCDL Model that is presented in the Figure 2. It begins with positioning the brand that helps to sharpen the focus of the brand identity. The next step is

communicating the brand message, which increases brand awareness and builds brand image (Ghodeswar 2008). Thirdly, the brand performance will be delivered by tracking the performance, interventions and their effect on brand equity, and finally the gained brand equity will be leveraged (Ghodeswar 2008).

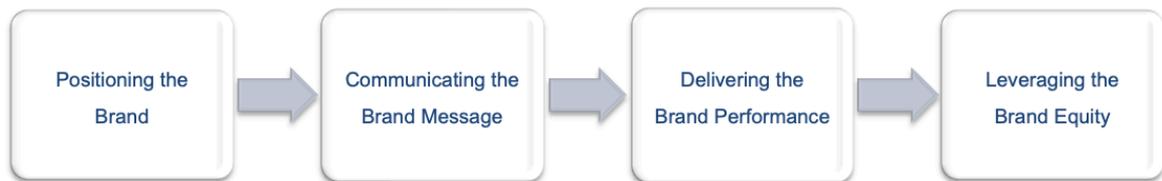


Figure 2. PCDL Model (Ghodeswar 2008)

Even though, different brand building processes have been presented that are highlighting different aspects like internal processes (de Chernatory 2002), brand position (Ghodeswar 2008) or brand equity creation (Keller 2001; Keller 2009; Kotler & Keller 2012), researchers seem to be in unison about the importance of brand identity in brand building. Furthermore, according to Urde, Baumgarth and Merrilees (2013), a company is able to choose its strategic orientation concerning brands and the role of brand identity. Market orientated firm takes an outside-in approach that is primarily focused on brand image and customer satisfaction. The customer and its wants and needs are essential to the brand, which is particularly suited for firms requiring a customer focus. On the contrary, brand orientated firm takes an inside-out approach that sees brand identity, consisting of mission, vision and values, as a fundamental concept. Brand identity is identified to be central to the organizational culture, behavior and strategy and the organization is playing an important part in the brand building process. The focus is on the customer satisfaction but without compromising the core brand identity. Two hybrid approaches relating to either market or brand orientation combine aspects from both orientations. Market and brand orientation prioritizes the market and customer but also sees the importance of brand identity that has an effect on organization's culture, behavior and strategy. Brand and market orientation focuses on the brand and its core values but also perceives the value of brand image and external factors affecting the brand. (Urde et al. 2013)

### **2.2.1 Brand identity**

Brand identity presents the brand from the brand owner's viewpoint and is often seen as the starting point of brand building (Joachimsthaler & Aaker 1997). According to Mindrut et al. (2015) brand identity is simply describing how a company is being identified. Brand identity is giving "direction, purpose and meaning for the brand" (Aaker 2010, 68). It can be defined as "a unique set of brand associations that the brand strategist aspires to create or maintain", and that "these associations represent what the brand stands for and imply a promise to customers from the organization members" (Aaker 2010, 68). Features like vision, positioning and other meaning beliefs are forming the consistency of the brand identity (Mindrut et al. 2015). Furthermore, all of the components that are faced by public are significant for developing brand identity and therefore creating brand image (Mindrut et al. 2015). Current brand identity can be altered to achieve the desired brand image by changing one or more of its components like logo, products and other components (Mindrut et al. 2015).

Having a strong brand identity gives competitive advantage (Mindrut et al. 2015). Brand identity holds a major role in brand's strategic vision and drives brand associations that are highly important to the brand (Aaker 2010). Understanding how to build a brand identity, how to describe what the brand stands for, and how to communicate developed identity effectively are essential in building a strong brand (Aaker 2010). It is important that company's brand identity is clear with depth and texture in order that conflicting or confusing messages can be avoided (Joachimsthaler & Aaker 1997). A brand identity should be understood throughout the organization and linked to the company's vision, organizational culture and values (Joachimsthaler & Aaker 1997).

Brand identity can be divided into four perspectives presented by Aaker (2010) to assure the texture and depth of the brand identity. Brand as a product includes the product-related associations, attributes and quality. A particularly important element of this perspective is brand trust that has an impact on the arising associations. Brand as organization consists of the organizational attributes that are created by the people and that are arising from the values and culture of the company. Brand as person refers to the human version of the brand, brand personality. Finally, brand as a symbol contains visual aspects of the brand, metaphors and heritage. Even though all of these identity perspectives are suggested to be considered, not all of them are necessary or useful for every brand. (Aaker 2010)

Aaker (2010) and Latiff and Satifee (2015) break down the structure of brand identity to a core and extended identity of the brand. In the first element of brand identity, the core, brands are illustrated by brand describing dimensions and associations. It is important that at least one of the elements differentiates the brand from others, makes it unique and valuable, and resonates with the customers. (Aaker 2010; Latiff & Satifee 2015) The core presents the essence of the brand that is remaining consistent when the brand evolves (Aaker 2010). The core identity of a successful brand is clearly understood by customers (Latiff & Satifee 2015). The second part, extended identity of the brand, gives perspective when formulating strategy as core elements are brief descriptions and therefore cannot represent a brand alone (Latiff & Safiee 2015). It includes brand identity elements, for example a logo and brand personality, which entail complex and rich information about the entity and give texture and completeness (Aaker 2010; Latiff & Safiee 2015; Mindrut et al. 2015).

Brand identification and brand identity have an important role while building brand loyalty (Hongwei, Li & Harris 2012). Furthermore, brand attractiveness has an impact on brand loyalty since it enhances positive behavior towards the brand and makes consumers more resilience to negative information (Elbedweihi, Jayawardhena, Elsharnouby & Elsharnouby 2016). Having an original and strong identity is beneficial to a brand and has a positive impact on brand trust (Hongwei et al. 2012). Strong identity communicates that the brand is more capable, trustworthy and able to fulfill especially consumers' symbolic needs (Hongwei et al. 2012). Brand trust is thus highly important when selecting a brand (Veloutsou & Moutinho 2009). Therefore, convincing consumers to trust in the brand can be seen as an important marketing objective (Habibi, Laroche & Richard 2014).

### **2.2.2 Brand awareness**

Creating brand salience with customers allows firms to achieve the right brand identity (Keller 2001). Therefore, one of the most important goals for a marketer is to build strong brand awareness since it sets the brand's foundation to build other brand elements on (Barreda et al. 2015). Brand salience is presenting aspects of brand awareness that represents the consumers' ability to recognize or recall a brand (Keller 2001; Keller 2009). Brand awareness can be defined as "the strength of the brand node or trace in memory as reflected by consumers' ability to recall or recognize the brand under different situations" (Keller 2009, 143). Plainly, it "refers to the strength of a brand's presence in the

consumer's mind" (Aaker 2010, 10). All in all, by building brand awareness firms aim to assure that customers connect their products or services with their brand, recognize the product or service group where the brand operates and realize which customer needs the brand intends to fulfill (Keller 2001).

The first key dimension of brand awareness, depth, indicates the ability to recall and to recognize a brand (Keller 2001). The second dimension, breadth of brand awareness "refers to the range of purchase and consumption situations where the brand comes to mind" (Keller 2001, 16). Different levels of brand awareness can be classified (Aaker 1996). Brand recognition shows if a consumer has heard about a specific brand, whereas brand recall challenges a consumer to call up a brand when a particular product or service has been mentioned (Aaker 1996; Aaker 2010). Top-of-mind refers to whether the brand has been mentioned first in the brand recall task, and brand dominance occurs if the brand has been the only one recalled (Aaker 1996; Aaker 2010). Brand knowledge exists if a consumer is able to identify what the brand stands for, and brand opinion has been developed if a consumer has a point of view on the brand (Aaker 1996).

Brand recognition tells simply whether a consumer is able to remember the brand due to past exposure (Aaker 2010). Enhancing brand recognition can be done with anything that leads a consumer to pay attention to a brand (Keller 2009). However, brand recognition cannot be achieved without a conscious effort (Krake 2005). Positive feelings toward a brand can be arising just by recognizing it, as familiar brands are naturally preferred (Joachimsthaler & Aaker 1997; Aaker 2010). Improving brand recall requires building stronger brand links to the product group or to consumer needs since a consumer has to be able to think of the brand when its product class is mentioned (Keller 2009; Aaker 2010). One way to improve both brand recall and recognition, and thus brand awareness, is to utilize brand stories (Singh & Sonnenburg 2012). Storytelling can be used to bring a brand to life and provide meaning for the brand's existence, which can improve customer-brand connections (Singh & Sonnenburg 2012).

Word of mouth (WOM) is positively influenced by brand awareness as greater awareness generates more WOM and influences consumers' intention give the brand a try (Barreda et al. 2015). Word of mouth can be defined as "people-to-people oral, written or electronic communications which relate to the merits or experiences of purchasing or using products or services" (Kotler & Keller 2012, 500). Word of mouth is crucial for brand's success and is seen as an important factor in consumer behavior since information acquired through WOM communication is seen credible (Barreda et al. 2015). Positive word of mouth also

has a strong connection with brand loyalty (Eelen, Özturan & Verlegh 2017). The form of word of mouth is not limited to conversations between consumers as people are also interacting online (Eelen et al. 2017). Electronic word-of-mouth (eWOM) presents an important part of user-generated content and shows how impactful consumers' product evaluations, like anonymous online reviews, can be (Liu, Hu & Xu 2017). eWOM gives the consumer an opportunity to deliberate and compose a review or a post with consideration as in-person WOM is more impulsive and happening in real time (Eelen et al. 2017).

### **2.2.3 Brand image**

Brand identity strategy is working efficiently if the difference between the aimed brand identity and the perceived brand image is small (Mindrut et al. 2015). Brand image can be defined as "consumer perceptions of and preferences for a brand, as reflected by the various types of brand associations held in consumers' memory" (Keller 2009, 143). It is presenting perceptions that customers and other stakeholders have about the brand (Aaker 2010). Creating brand image, forming brand characteristics, and recognizing aspects that are important to stand for in customers' minds are essential when giving meaning to a brand (Keller 2001). Brand image, along with brand awareness, is an essential component of brand knowledge that is representing all the thoughts, images and impressions that will be connected to the brand in the customers' minds (Keller 2009).

Brand image can be divided into hedonic and functional brand image by following Park and Srinivasan's (1994) distinction between different brand attributes (Bruhn, Schoenmueller & Schäfer 2012). Functional brand image refers to the brand associations that are based on a product's attributes, and hedonic brand image refers to those that are not based a product's particular attributes but are a part of a brand's preference in general (Park & Srinivasan 1994; Bruhn et al. 2012). However, at the core of the brand image is the product that needs to deliver quality and value to the customers in order to create equivalent image for the brand (Aaker 2010). Simply, without a good product or service, a strong brand cannot be build, but a quality product is not enough to create a strong brand on its own since customer perceptions matter as well (Aaker 2010). Utilizing emotions to attract consumers and creating brand image that is enhancing emotional relationships are beneficial ways to earn more preferable perceptions in the consumers' minds (Ghodeswar 2008).

## 2.2.4 Brand equity

Brand building and building strong brands have regularly been associated with brand equity (Keller 2001; Keller 2009; Aaker 2010; Kotler & Keller 2012). According to Keller (2009, 140), “brand equity relates to the fact that different outcomes result in the marketing of a product or service because of its brand, as compared to if that same product or service was not identified by that brand”. It is formed by four dominant assets: brand awareness, brand loyalty, perceived quality and brand associations (Aaker 2010). Brand awareness can have an impact on perceptions and attitudes as the brand salience in the minds of consumers (Aaker 1996). Brand loyalty is an important factor when evaluating the value of a brand (Aaker 2010). It that can be measured by the difference that consumer is ready to pay for the brand compared to another brand when their offerings are similar (Aaker 1996). This price premium can be seen as one of the best indicators of brand equity since it summarizes the strength of the brand (Aaker 1996). When customers are loyal, they are more willing to pay the price premium and pressure to price reductions is lower (Lodish & Mela 2007). Perceived quality can be seen as a strategic variable, as a positioning dimension and as “a bottom-line measure of the impact of the brand identity” that has an impact on financial performance (Aaker 2010, 19). If a company is offering services or products that consumers do not regard as good quality, perceived quality cannot be created (Aaker 2010). Brand associations are emerging from brand identity (Aaker 2010). Powerful, positive brand associations are differentiating the brand from others and increasing brand equity (Keller 2009).

One of the more-established brand equity building models is the brand resonance model known also as the customer-based brand equity (CBBE) model by Keller (2001). It presents brand building as a four-step process. Firstly, a strong brand identity should be created. It should be ensured that consumers not only identify the brand but also associate it with a particular product category or need. Secondly, the brand meaning should be firmly established in the minds of customers. Thirdly, suitable customer responses should be elicited. Finally, brand responses should be converted to create loyal and active relationship between the brand and a consumer. (Keller 2001; Keller 2009; Kotler & Keller 2012)

Kotler and Keller (2012) present three brand equity driver sets. The first drivers are the chosen brand element or identities that are creating the brand, like brand name, symbols,

and packages. Brand elements are describing the brand and differentiating it from others to that extent that they can be trademarked. The second drivers are the product and service as well as all marketing activities and programs. The third drivers are all the other associations that are created by connecting the brand to other entities, like a person, a thing or a place, and therefore transferred to the brand indirectly. (Kotler & Keller 2012)

## **2.3 Brand building process in startups, SMEs and new businesses**

Several studies have found that SME brands are built in a non-traditional way (Boyle 2003; Ojasalo et al. 2008; Centeno et al. 2013). Branding is facilitating to find and maintain customers as well as to build a favorable reputation, and is therefore crucial for new ventures that are trying to survive and succeed (Bresciani & Eppler 2010). The challenge, that startup companies and SMEs face continuously, is that their priority is to maximize sales and profits and to focus on financial and production issues rather than branding or creating brand awareness (Krake 2005; Bresciani & Eppler 2010; Basri & Siam 2017). However entrepreneurs are usually aware of that if consumers do not know their products, their business cannot succeed (Basri & Siam 2017). As brands are difficult to copy, they represent a source of intellectual property and sustainable growth even for SMEs and new businesses (Abimbola 2001).

### **2.3.1 Unique features of startups and SMEs**

New businesses as small companies and startups face a few particular challenges and have some unique characteristics when it comes to branding and building their business. Firstly, overcoming the liability of newness and becoming recognized players in the market are common struggles that many new businesses face in the early stages of development (Witt & Rode 2005). When consumers naturally prefer familiar brands, gaining recognition becomes crucial (Aaker 2010). Therefore, it has been recommended for SMEs to highlight just one or two brands or focus on the corporate brand to maximize attention (Abimbola 2001).

Secondly, opposite to brand building in large organizations, SMEs and startups have often limited financial, human and organizational resources (Abimbola 2001; Boyle 2003; Krake

2005; Rode & Vallaster 2005; Berthon, Ewing & Napoli 2008; Juntunen 2012; Centeno et al. 2013). However, limited resources encourage SMEs to develop creative, targeted and affordable ways to brand (Ojasalo et al. 2008). The brand building approach is usually more innovative, experimental and resourceful compared to large firms (Centeno et al. 2013). Brand can be build by experimenting as brand builders make trial and errors and are committed to learn from them (Centeno et al. 2013). In the end, limited resources do not exclude the possibility to build a strong brand if innovative ways to brand are being used (Boyle 2003).

Thirdly, the brand owner or the entrepreneur is in a central role when creating and developing a brand's identity dimensions and therefore has a significant position in the starting and developing stages of brand building and gaining recognition for a brand (Krake 2005; Centeno et al. 2013). In addition, the entrepreneur is often the key decision-maker (Berthon et al. 2008) and responsible of developing a corporate identity (Rode & Vallaster 2005). The entrepreneur can be seen as a source of inspiration that creates structure in the company, but also as a personification of the brand (Krake 2005). This means that the entrepreneur is the brand, which brings an authentic approach to a SME brand that a multinational company cannot achieve (Krake 2005). An enthusiastic entrepreneur and organization that highlight the brand in everything they do bring power to brand building (Krake 2005).

### **2.3.2 Brand building in startups and SMEs**

After observing that SME brands are not build the traditional way due to their unique features, a few brand building models have been introduced. Centeno et al. (2013) present a model of the five phases of SME brand building that is presented in the Figure 3. The model consists of two stages: a starting stage and a development stage. The starting stage has four phases: brand as a person, brand as a product and brand differentiation, brand as a symbol, and brand as an organization. These four phases represent brand identity dimensions that are being created one by one. (Centeno et al. 2013) This classification adopts the same divisions as four brand identity perspectives presented by Aaker (2010), that are making secure that the brand identity has enough texture and depth. 'Brand as a person' starts the brand building process when brand owners commit themselves to establishing their brands. 'Brand as a product' and brand differentiation are linked and therefore created simultaneously as brand differentiation

presents product attributes and benefits. At 'brand as a symbol' phase, brand name, logos and visual of the products are created. Lastly, at 'brand as an organization' phase organizational values are formed based on the brand owners' personal values. The development stage has one phase – brand identity development and brand growth – that includes developing brand identity dimensions to be able to grow the brand. At this phase the brand identity that had been created in the starting stage is developed. It is important that the brand owners' are committed and driven as they advance the brand building process. In addition, feedback through the process is valuable and helps brand owners to gain learning and build their brands. (Centeno et al. 2013)

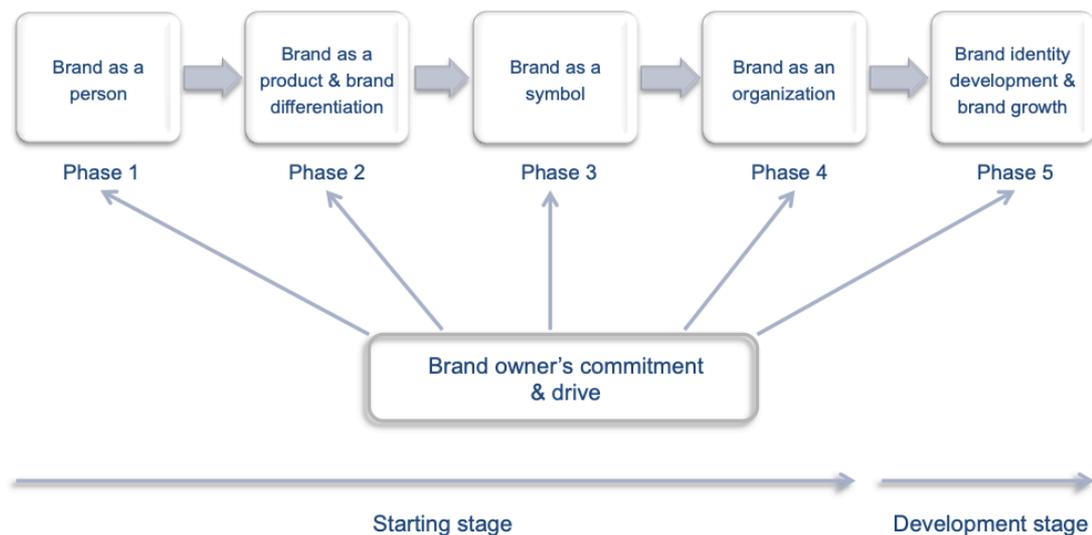


Figure 3. The five phases of SME brand building (Centeno et al. 2013)

Another two-step framework for new venture branding is presented by Bresciani and Eppler (2010). The first step, brand creation sequence that is presented in the Figure 4, consists of three phases that include core elements of brand creation. First of these phases, define brand strategy, should be done before establishment of the company by the entrepreneur and aligned to the new organization's strategy. Secondly, a brand design should be created according to the brand strategy, brand mission and philosophy. Lastly, brand building activities should be selected and plan developed. The second step of the branding framework is branding orientation classification that offers an overview of the branding activity options. Startups can position themselves on a diagram depending on what kind of branding activities they do (traditional versus innovative) and whether their

industrial sector has low versus high branding expectations to reveal the typical approach to branding that is dependent on these two factors.



Figure 4. Brand creation sequence (Bresciani & Eppler 2010)

Abimbola (2001) suggests that SMEs should consider following five guidelines when building strong brands. Firstly, SMEs should economize and focus on corporate branding or highlighting just one or two brands to maximize attention and therefore to avoid confusion with competitors' brands. Secondly, a few specific brand associations should be selected and creative marketing program should be build around these. Thirdly, an integrated set of brand elements should be created and ensured that it reinforces brand awareness and brand image. Fourthly, a brand building campaign should be designed to be distinctive and appropriate for a specific audience. Lastly, SMEs should take an advantage of any secondary associations and link the brand with endorsers to reinforce the brand. (Abimbola 2001)

### 2.3.3 Corporate brand building in startups and SMEs

Many new businesses begin their journey by focusing on just one product, and therefore a corporate brand is often synonymous with the product brand. When new ventures' offering expands to multiple products, a corporate brand can act as their roof brand. (Witt & Rode 2005) Thus, it is necessary to look into what the corporate brand building offers to startups and SMEs to profound the view on the brand building process of new businesses. It can be described that "the corporate brand defines the firm that will deliver and stand behind the offering that the customer will buy and use" and therefore is characterized principally by organizational associations (Aaker 2004, 6). A corporate brand can be seen as a better approach for small businesses as it assists interaction with not only customers but also

other stakeholders and can therefore offer more advantages than product brands (Merrilees 2007).

A corporate brand can offer many advantages to the company. When services and products are becoming increasingly similar, a corporate brand can present a way of differentiation to the organization. A corporate brand may increase the credibility and trustworthiness of the organization as consumers have a tendency to trust an organization more than a product. Brand management becomes easier when a corporate brand is used across products and markets. (Aaker 2004) In addition, it gives the opportunity to increase visibility and awareness for both the company and its offerings, and therefore provides economies of scale and scope (Witt & Rode 2005). When the focus is on only one mother brand, limited resources have a smaller impact on brand building (Aaker 2004). However, strong product brands are also beneficial and can complement corporate branding (Merrilees 2007).

The company's essence, meaning its values and priorities, character and purpose are expressed by the corporate brand (Aaker 2004; Rode & Vallaster 2005). The corporate brand consists of the internal part, corporate identity, and the external part, corporate image (Rode & Vallaster 2005). Corporate identity has four core components that are developing around the founder or an organizational team: corporate culture, corporate design, corporate behavior and corporate communication (Rode & Vallaster 2005; Witt & Rode 2005). It connects the organization with the customer (Aaker 2004). Corporate identity can be evolving independently and therefore is not always developed consciously (Juntunen et al. 2010). It can be arising from the internal personnel's daily operations and from the company's product (Juntunen et al. 2010). It has been noticed that the corporate identity is similar to the owner-manager's who is usually developing the company most actively (Juntunen et al. 2010).

Corporate image can be defined as "the projection of corporate identity targeted at the company's external key stakeholders" (Rode & Vallaster 2005, 122). It reflects the external stakeholders' view of the corporate identity (Juntunen et al. 2010). Without positive corporate identity, positive corporate image cannot be achieved (Witt & Rode 2005). Corporate identity is built through interaction with the audience and can be modified in direct or indirect ways by the company (Rode & Vallaster 2005; Juntunen et al. 2010). A positive corporate image is especially important when startups are trying to compete against well-known large corporations and to entice new customers to try their products (Witt & Rode 2005).

Rode and Vallaster (2005) suggest that to become successful startups should define their business concept, values and philosophy, align their corporate identity and corporate culture, communicate about their corporate identity internally and externally, and recruit employees who have aligned values with the corporate culture to improve corporate behavior. Defining the company's purpose before its establishment is recommended to facilitate management of the company and to develop positioning in the market (Rode & Vallaster 2005). Corporate branding can therefore start before the company is founded (Juntunen et al. 2010; Juntunen 2012). Furthermore, small businesses should pay attention to corporate identity, values and culture before launching (Merrilees 2007). Internal branding process should be concise and consistent if the startup wishes to achieve positive perceived corporate brand (Witt & Rode 2005).

Urde (2003, 1035-1036) presents core-value based brand building process that divides company's values to organizational values, core values and added values to "ensure that the functional, emotional and symbolic dimensions of the corporate brand are all included". The purpose of this process is to build a common thread that unifies the brand. The organizational values represent what the organization stands for and set the base for the core values. The core values are lasting factors outlining the brand identity and representing the guiding principles for the brand building process both internally and externally. They should be showing the direction where the company is heading but be also adaptive to encourage development. The core values have an impact on "the brand architecture, product attributes, brand positioning and communications strategy" and they connect mission, vision and organizational values in the internal brand building process (Urde 2003, 1036). A corporate brand and product brands can be even linked with the core values that are required to have a connection to the company's core competencies. The core values are affecting the corporate image and realized through added values in the external brand building process. The added values show the functional, emotional or symbolic benefits that a brand offers in the customer's mind and link the internal and external process together. It is important that these added values are not only useful and unique to the customer but also hard to copy by the competitors. (Urde 2003)

Juntunen et al. (2010, 116-117) divide corporate brand building into six functions: "defining the corporate personality, brand-oriented strategic planning, creating and maintaining corporate identity, creating consistent brand communication, assuring employees' involvement, and creating a corporate image". The brand building process starts already with the pre-establishment stage before the company is founded and the branding efforts begin within the company. This stage includes defining the corporate

personality with the help of entrepreneur's family, friends and financiers, establishing corporate branding relationships with stakeholders, and determining a brand oriented corporate strategy. Well-defined core values and strategic planning with a focus on the brand are setting the foundation of a corporate brand. The entrepreneur's impact on the corporate values is significant since in the early stages the values are close to the entrepreneur's own values. (Juntunen et al. 2010)

During the early growth stage, these functions are maintained and revised, a corporate brand identity and image are created, involvement of employees in the process is assured, consistent brand communication is created, and feedback is collected from the internal and external stakeholders to monitor the process. After defining corporate values and taking a strategic approach on branding, corporate identity is created while making sure that it is consistent with the corporate brand. Finally a corporate image can be created when the essence of the corporate brand is understood within the organization and among its employees. Internal and external communications have an important role throughout the corporate brand building process. The process should continue with ongoing improvement throughout the existence of the company by collecting and analyzing feedback and renewing and maintaining the brand. This improvement process keeps the corporate brand strong in the changing environment. (Juntunen et al. 2010)

#### **2.3.4 Brand building process of new businesses**

Several conclusions can be drawn from the literature review of brand building research and the special characteristics of the brand building process in startups and SMEs. Firstly, it can be seen that building a brand is a complex process (Bacik et al. 2018), that requires multiple strategic decisions and resources (Aaker 2004). Based on the previous literature, a brand building model for new businesses can be presented. This model that includes six phases is presented in the Figure 5.

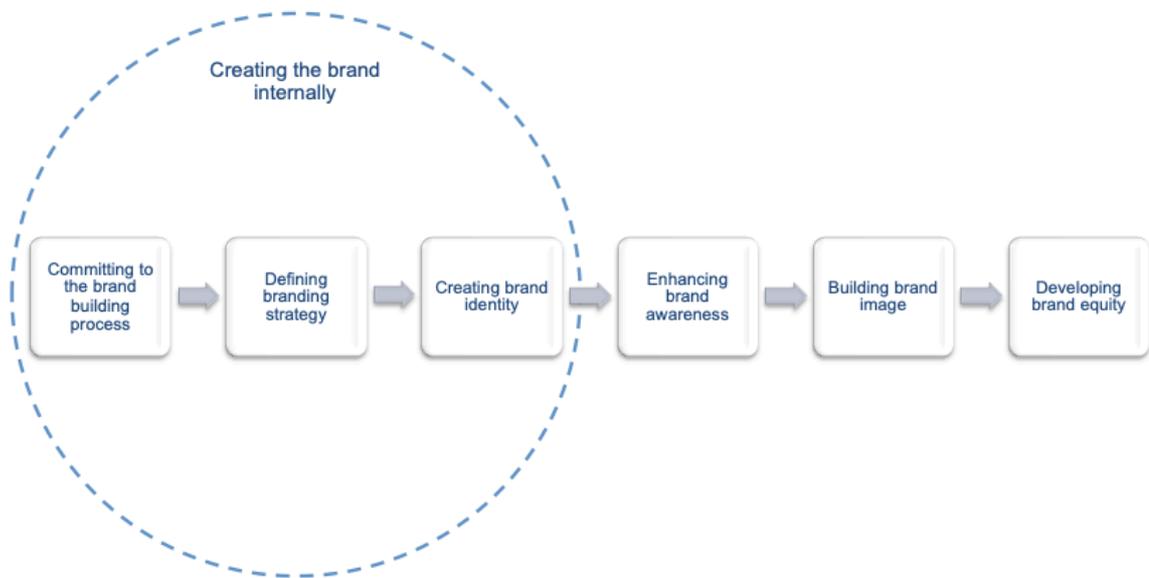


Figure 5. Brand building process of new businesses.

As the entrepreneur has an important role in the decision process (Berthon et al. 2008), it can be seen that the brand building process in new businesses begins with the entrepreneur's commitment and conscious decision to create a brand (Krake 2005; Centeno et al. 2013), which can occur already before the company is established (Juntunen et al. 2010; Juntunen 2012). The entrepreneur then determines how important role brand building receives in the company and the amount of efforts that will be used to build a brand. Secondly, a brand can be created for a product, for a service or for a corporation including its offerings (Aaker 2004; Kotler & Keller 2012). Therefore, a second step of the brand building process would be selecting the branding strategy that determines whether to focus on corporate associations or product associations, or whether the brand is created for one product, or multiple products, or for the whole corporation. Defining branding strategy was also proposed by Bresciani and Eppler (2010) as a phase of the brand building process of new ventures. As new businesses have often limited resources (Abimbola 2001; Boyle 2003; Krake 2005; Rode & Vallaster 2005; Berthon et al. 2008; Juntunen 2012; Centeno et al. 2013), focusing on a corporate brand or one strong product brand is recommended in the beginning (Abimbola 2001).

Thirdly, the core of any brand is its identity that holds an important significance in the brand building process (Joachimsthaler & Aaker 1997; Keller 2001; Keller 2009; Aaker 2010; Kotler & Keller 2012). Brand purpose, values, name, logo, product attributes, and position among other needed dimensions that are making the brand become alive and

forming what the brand stands for will be created and brand identity will be born (Aaker 2010; Centeno et al. 2013; Mindrut et al. 2015). Created values might be affected by the entrepreneur's own values and be highly similar in the beginning (Juntunen et al. 2010). The company can also choose its orientation and highlight either the importance of brand identity or of brand image and balance the connection between these two by making necessary alterations (Urde et al. 2013).

Fourthly, brand awareness has a valuable impact on brand building after the brand has been created in the internal process (Barreda et al. 2015). Enhancing brand awareness with brand messages and introducing the brand to the consumers who will start creating salience (Keller 2001; Ghodeswar 2008; Keller 2009), is highly important if the new brand wishes to succeed and overcome the liability of newness (Witt & Rode 2005). Fifthly, brand image starts to form in the minds of consumers and the company has to evaluate whether the right brand image has been achieved concerning the brand identity and the quality of the product or service (Keller 2001; Keller 2009; Aaker 2010; Mindrut et al. 2015). If the brand image differs significantly from the brand identity that has been build, modifications should be made (Mindrut et al. 2015). Therefore, paying attention to consumers' reactions, listening feedback and improving performance accordingly allows the brand to evolve and become better in the eyes of the consumers. Sixthly, positive brand equity will begin to grow if the brand identity is valued, brand awareness is increasing, brand image and associations are positive, product is perceived as quality and customers are forming relationships with the brand and becoming loyal (Keller 2001; Keller 2009; Aaker 2010; Kotler & Keller 2012).

## **2.4 Social media and impact on branding**

Marketing landscape was profoundly altered when social media platforms emerged (Saboo, Kumar & Ramani 2016). Social media allowed companies to develop brand-consumer relationships on a new platform and truly enabled the dialogue between companies and consumers by offering new ways to connect (Hanna, Rohm & Crittenden 2011; De Vries, Gensler & Leeflang 2012; Ahmad, Musa & Harun 2016; Gao & Feng 2016; Simon & Tossan 2018). It has drastically altered marketing practices and is becoming increasingly important as a communication channel (Habibi et al. 2014; Ko, Phau & Aiello 2016). In result of its many advantages, social media is becoming more and more irreplaceable part of companies' online brand strategy and integral element of

business (Felix, Rauschnabel & Hinsch 2017; Phua, Jin & Kim 2017). It is necessary that organizations manage social media as a tool to fulfill their strategic goals (Wang & Kim 2017). Furthermore, it represents one of the most essential tools for marketers as the media landscape is evolving rapidly (Saboo et al. 2016). Therefore, social media marketing is seen as a necessary part of companies marketing strategies (Hanna et al. 2011).

Kaplan and Haenlein (2010, 61) define social media as “a group of Internet-based applications that build on the ideological and technological foundations of Web 2.0, and that allow the creation and exchange of User Generated Content”. Since social media provided a new tool to be connected with friends, family and organizations, it can be seen as an evolution of technology rather than separate universe from the offline world (Lund Cohen & Scarles 2018). Social media and digital technologies have truly challenged the ways we conceptualize and manage brands and construct consumer and brand identities (Davis et al. 2014; Rokka & Canniford 2016). This digital change has brought new capabilities for individuals and companies (Ramaswamy & Ozcan 2016).

Internet users have loved the rise of social media platforms, which has given new opportunities for companies' branding practices (Gao & Feng 2016; Barcelos, Dantas & Sénécal 2018). In just a decade, social media has grown to be one of the most important players in branding activities (Azar, Machado, Vacas-de-Carvalho & Mendes 2016). It has gained attention in the business world and proven to be impactful force that is affecting brands (Moro & Rita 2018). Social media can act as a capable marketing tool for branding, brand building, enhancing engagement and building relationships with customers (Taiminen & Karjaluoto 2015; Bacik et al. 2018). Social media tools have an ability to make a difference to consumers' perceptions and attitudes, which makes them valuable tools for branding purposes (Bacik et al. 2018).

With social media, companies are able to raise brand awareness, encourage consumers to engage with the brand, boost brand liking, improve collaboration and loyalty, encourage word of mouth communication and gain targeted traffic and conversions (Ashley & Tuten 2015; Barreda et al. 2015; Momany & Alshboul 2016; Phua et al. 2017). New ways of interacting, cooperating, participating and collaborating have been evolved, as users are able to create content and connect with many-to-many communication approach (McCann & Barlow 2015). With social media, companies are able to engage consumers with immediate conversations durably (Gao & Feng 2016). Social media can be used for digital advertising as well as customer services, innovation gathering and building engaged

brand communities (Enginkaya & Yilmsz 2014). In addition, social media sites drive sales and provide marketing intelligence and rich customer insights to the companies (Hudson, Roth, Madden & Hudson 2015; Hudson et al. 2016; Lindsey-Mullikin & Borin 2017). All in all, social media can be used “as a channel for many marketing activities including customer relationship management, customer service, buyer research, lead generation, sales promotion delivery channel, paid advertising channel, and branding” (Ashley & Tuten 2015, 15). Therefore, it would be wasteful to overlook the opportunities that social media and growing number of users present to businesses (McCann & Barlow 2015).

Different social media platforms have their own features and reasons why a consumer would follow a brand on a specific site (Phua et al. 2017). The motivations of using microblogs are more concentrated on information seeking, self-expression and entertainment whereas social interaction is the main reason to use social networking sites (Gao & Feng 2016). Popular brands are being followed on social media easier than unpopular ones (Virtanen et al. 2017). According to Phua et al. (2017) people who follow brands primarily on Snapchat, spend more time on the platform, share their problems and gather social knowledge. Then again consumers, whose most used platform is visual and photo-based Instagram, show more affection, follow fashion and are more interactive (Phua et al. 2017). In their research, consumers who used Instagram as a primary platform to follow brands scored highest in engagement in the brand community and committing to it (Phua et al. 2017). Brands can use visually dominant Instagram for presenting visual storytelling and publishing hedonic-related posts (Virtanen et al. 2017). More text-based platforms, like Facebook, Twitter and LinkedIn, are preferred options for posts that contain more information (Virtanen et al. 2017). In addition, different photo aesthetics work better on different platforms (Colliander & Marder 2018). Usually a snapshot aesthetic is preferred and seen more credible on social media since it matches better with the decorum, but then again traditional studio aesthetic works better on professional platforms like LinkedIn (Colliander & Marder 2018).

#### **2.4.1 Social media as a marketing channel**

Social media platforms have become essential for marketing and companies are spending increasingly bigger parts of their marketing budgets to social media marketing (Latiff & Safiee 2015; Hudson et al. 2016; Nisar & Whitehead 2016; Gretry, Horváth, Belei & van Riel 2017). Yadav and Rahman (2017, 1296) define “Social Media Marketing (SMM) as a

process by which companies create, communicate, and deliver online marketing offerings via social media platforms to build and maintain stakeholder relationships that enhance stakeholders' value by facilitating interaction, information sharing, offering personalized purchase recommendations, and word of mouth creation among stakeholders about existing and trending products and services". Felix et al. (2017) continue by defining that social media marketing is a multidisciplinary concept that utilizes social media usually with other communications channels to create value to stakeholders and to accomplish organizational goals. This means that strategically social media marketing includes decisions concerning social media marketing scope, culture, structure and governance (Felix et al. 2017).

As consumers are getting increasingly networked, reaching them requires adaptation of marketing strategies by offering competitive social media content to gain their attention and drive engagement (Hudson et al. 2016). Social media content not only enables advertising on social media that can be used to shape brand attitudes but also provides shareable content for consumers (Ashley & Tuten 2015). Social media marketing can be used for example as a complementing activity to traditional advertising efforts, a component in a marketing campaign, a channel for corporate communication and a standalone marketing channel for micro campaigns when the company wishes to gain digital exposure (Ashley & Tuten 2015; De Vries, Gensler & Leeflang 2017). Creating effective social media campaigns requires careful thinking of what the campaign offers to the consumers and why they would become loyal to their brands (Erdogmus & Cicek 2014).

Using social media marketing may oblige companies to think in different way than before, which is not making social media easy to handle, but the potential gains are worth the trouble (Kaplan & Haenlein 2010; Lund et al. 2018). For example, consumer-to-consumer marketing has gained its popularity within consumer brands due to popularity of social media around the world and increased competition to reach target consumers that are increasingly ignorant towards marketing messages (Geurin & Burch 2017). These marketing methods are harnessing brand ambassadors or customers using the brand's products to market the brand for example by writing reviews, posting photos on their own social accounts or brand's online and social media platforms (Geurin & Burch 2017).

Social media marketing content can be either owned social media, that is mostly firm-created content, or earned social media, that is generally user-generated content (Colicev, Malshe, Pauwels & O'Connor 2018; Alam & Khan 2019). Colicev et al. (2018, 39) define

owned social media as “a brand’s communication created and shared through its own network assets, such as a Facebook fan page and a YouTube channel”. Then again, earned social media is “the brand-related content that entities other than the brand – typically the consumers – create, consume, and disseminate through online social networks” (Colicev et al. 2018, 39). Earned social media has the ability to offer high exposure to the brand if the content goes viral (Colicev et al. 2018). User-generated content is a form of brand-related consumer engagement that is published and that has the ability to shape brand perceptions of the consumers even radically, which is posing a challenge to marketers (Smith, Fisher & Yongjian 2012; Enginkaya & Yilmsz 2014). With user-generated content consumers can express themselves, create their own content about a brand and simultaneously alter and comment brand narratives that have been created by marketer (Enginkaya & Yilmsz 2014; Lund et al. 2018).

The social media content that a brand produces to its channels must be relevant, interesting and offer an added value in the eyes of the target audience. Publishing visual content regularly in a consistent way gives consumers a better view of the brand they are following. (Bacik et al. 2018) Creating strong content continuously is beneficial to the company since loyal consumers can react to the content and share it to their contacts, which might result in positive word of mouth (Lindsey-Mullikin & Borin 2017). Driving brand loyalty with social media marketing is most effective with advantageous campaigns (Erdogmus & Cicek 2014). In addition, it is important to offer relevant content that is popular among the consumers’ friends, appears on various social media platforms and provides applications if marketers wish to enhance brand loyalty (Erdogmus & Cicek 2014).

#### **2.4.2 Social media as an enabler of two-way communication**

Social media enabled two-way communication between marketers and both existing and future customers (Hudson et al. 2016). Customers can be engaged timely and directly with lower cost and higher efficiency than with traditional communication tools (Kaplan & Haenlein 2010). Due to social media, brand communication has changed from being abstract form of communication to close and personal interaction, where consumer can actually know the person behind the brand (Davis et al. 2014). On social media, a brand can have a voice that makes it more approachable to consumers (Bacik et al. 2018). If done right, communicating personally with customers in real time can lead to real emotion

and user action (Bacik et al. 2018). Consumer-brand relationships can be more intimate when conversations are direct, which can build more rapport with consumers (Davis et al. 2014; Gao & Feng 2016). More personal brand communication enables the brand to be more tangible in the eyes of a consumer (Davis et al. 2014). If consumers expect specific conversations with brands, social media might be the only effective way to do so (Davis et al. 2014). Social media activities provide an efficient tool for companies to reduce misunderstanding, possible prejudices towards their brand and improve brand value, when people are free to exchange ideas and information on an online platform (Kim & Ko 2012; Gao & Feng 2016).

Firms can provide continuously updated information for their followers and simultaneously gain reach for their brands (Gao & Feng 2016). Consumers can then effortlessly share and create content and write recommendations, which allows the company to get a customer response and its marketing activities to gain more influence (Hanna et al. 2011). Consumers can give feedback and share their information on products, brands and companies that can be read worldwide instantly (Hajli, Shanmugam, Papagiannidis, Zahay & Richard 2017; Yadav & Rahman 2017). This customer feedback can be beneficial for firms as they can see instantly if a new product or service will succeed as well as if they have a need for improvements (Kim, Koh, Cha & Lee 2015). As social media has been increasing its popularity, information about brands is being shared between consumers constantly (Geurin & Burch 2017). Therefore, social media can be used to gather information and compare different products (Yadav & Rahman 2017). Consumers' attitudes are evolving as social media is providing all the information on products and brands that customers could ask for (Virtanen et al. 2017). Purchase decisions are increasingly enhanced by more trustworthy peer-to-peer information that can be found on social media platforms as customers rely increasingly on recommendations from real customers (Enginkaya & Yilmsz 2014; Virtanen et al. 2017).

Brands tend to communicate in social media more spontaneously and informally than in traditional platforms which is humanizing the brand and bringing it closer to the consumer. However, brands should pay attention on the style of communication that can either have a positive or negative effect on brand trust. (Gretry et al. 2017; Barcelos et al. 2018) More informal, human tone of voice works better if the brand's products or services are essentially hedonic identified with low situational involvement and risk. When products or services are connected with high involvement and risk, corporate tone of voice is more advisable. The brand's tone of voice is in bigger role when the brand is unknown to the customer. When almost all the conversations between a brand and consumers are visible,

the tone of voice can even have an impact on the ones who are only exposed to the conversations. (Barcelos et al. 2018)

One of the disadvantages of social media marketing that companies can be facing is that they are not always received well on social media (Fournier & Avery 2011; Virtanen et al. 2017). Some brands may seem inauthentic on a platform that was designed to connect people together and not to sell branded products (Fournier & Avery 2011). In addition, a desired viral spread is not always working for the brand when a disappointed customer is spreading a word of their bad experience with the brand and has all the tools to make it visible to millions of people (Virtanen et al. 2017). However, the upside is that a happy customer has the same tools to spread a word of their positive experience and increase positive word-of-mouth (Virtanen et al. 2017).

### **2.4.3 Social media as an interactive platform for consumer engagement**

Customers are able to engage with brands in many ways through social media (Carvalho & Fernandes 2018). Companies can gain engagement, collaborate in new ways with consumers and foster loyalty more conveniently than ever before (Culnan, McHugh & Zubillaga 2010; Hudson et al. 2015). Consumers can even remain engaged after a purchase by promoting or criticizing a product and changing brand meanings (Edelman 2010). Popularity of social media platforms keeps on rising which can be seen as a signal of consumers engaging emotionally with brands (Dwivedi, Johnson, Wilkie & De Araujo-Gil 2019). Social media is an excellent channel to use to make customers inspired to interact with the brand (Harrigan, Evers, Miles & Daly 2017). Compared to the traditional media, social media can foster greater user interactivity: by liking or following a brand, consumers can see the brand's content on their feed and by engaging they are sharing the content even further to their friends and followers (Phua et al. 2017). As customer connectivity and interactivity are defining the new business model driven by social media and content that is created technology in mind, it changes the way marketers try to influence consumers (Hanna et al. 2011). Interactivity has encouraged marketers to capture consumers' right attention and to respond with messages that have been designed to support brand building and purchase behavior (Moro & Rita 2018).

Social media is enabling customers to engage with other users and the brand through the published content like no other platforms (Harrigan et al. 2017). Endorsing a brand

positively with likes, shares and by following them is visible to other social media users and makes it a desired consumer action (Bernritter, Verlegh & Smit 2016; Rutter, Roper & Lettice 2016). Succeeding in social media marketing requires active engagement with consumers and nurturing relationships with consumers who endorse the brand (Rutter et al. 2016; Virtanen et al. 2017). Companies have been altering their marketing objectives so that they can fully utilize the interactive and engaging features of social media and focus on brand-consumer relationships (Hudson et al. 2016). Engagement is necessary for social media marketing and can be enhanced with good and valuable content (Ahmad et al. 2016). Utilizing images combined with an engaging factor that encourages consumers to comment and engage is one way to bring brands to life and build consumer engagement (Anagnostopoulus, Parganas, Chadwick & Fenton 2018). Godey, Manthiou, Pederzoli, Rokka, Aiello, Donvito and Singh (2016) found that brands should pay attention to that their content is entertaining to maximize engagement and interaction. Creating talking points and encouraging customers to interact with other customers and the brand is advisable to drive engagement (Barreda et al. 2015). It is recommended to listen customers' demands when creating engaging content (Carvalho & Fernandes 2018).

#### **2.4.4 Social media as a platform for building brand communities**

Social media offers the perfect platform for building brand communities since the social aspects are strongly backed and fostering relationships with customers is natural (De Vries et al. 2012; Habibi et al. 2014; Moro & Rita 2018). Online brand communities have lower entrance and exit barriers compared to traditional communities, which makes it easy for people to join communities on social media (Luo, Zhang & Liu 2015). All the physical and temporal barriers are set aside which increases the likelihood of consumer participation (Davis et al. 2014). As users of social networking sites become connections with other members, they can become followers of brands on their brand pages where marketers are posting content that the followers can like, comment, click or share (De Vries et al. 2012; Kumar, Ande, Kumar & Singh 2018). When customers are engaging with the posts, it is visible to other members of the brand community, which makes commenting one form of word of mouth (De Vries et al. 2012).

Brand value, trust and loyalty in addition to improved community spirit among members can be achieved with brand communities based in social media, which makes brand communities beneficial (Laroche, Habibi, Richard & Sankaranarayanan 2012). By

providing brand pages, companies allow consumers to engage in communal activities, consisting of creating and publishing user-generated content, taking part in contests and receiving promotional deals (Phua et al. 2017). This enhanced interactivity enables consumers to share their personal and professional opinions, experiences, evaluations and emotions on the brand to other users more efficiently, which can lead to actual changes in the brand offering and have an impact on interpretations of the brand (Davis et al. 2014; Barreda et al. 2015). In addition, consumers can create their social identities by liking or following different brands (Phua et al. 2017).

Creating brand communities on social networking sites is a logical extension of the brand's website (Barreda et al. 2015). The main reasons behind building a brand community are strengthening relationship with existing customers and get in touch with potential customers (Luo et al. 2015). Brand communities and engaging consumers in them, improve consumer's relationship also with the company, the products and other consumers, which can lead to improved brand trust and loyalty (Laroche, Habibi & Richard 2013; Habibi et al. 2014). Brand community relationships can have a positive impact on brand trust (Habibi et al. 2014). However, customer-customer relationships make consumers stronger, which increases their power on brands and drive them to have higher expectations and more demands (Habibi et al. 2014). Engagement in a brand community can decrease negative effects on brand trust caused by consumer's relationships with other consumers (Habibi et al. 2014). As some of the consumers are participating in brand communities for several reasons without feeling that the group is really a community, it is important to pay attention to the consumers' engagement with the brand (Habibi et al. 2014).

Community building is seen as an essential part of social media's implementation when the aim is to gain business value (Culnan et al. 2010). Gaining customers' engagement with the brand by building brand communities is increasingly important in the social media age as consumers are relying increasingly on social networks in their decision making (Habibi et al. 2014; Barreda et al. 2015). Since a majority of the world's population is connected in social media networking sites and sharing their experiences and stories of brands, it naturally has an impact on individuals' perception of brands, brand preferences and buying behavior (Kohli et al. 2015; Lund et al. 2018).

#### **2.4.5 Social media as a facilitator of co-creation**

Social media has also changed the strategies and tools that companies are using to interact with their customers as well as facilitating co-creation (Virtanen et al. 2017). Social media has enabled co-creation of marketing content that empowers consumers to connect with brands and other consumers (Hanna et al. 2011; Enginkaya & Yilmsz 2014; Saboo et al. 2016). Consumers are more and more involved in creating content with companies and brands (Hanna et al. 2011). Consumers have increasingly more power compared to the brands and they are even gaining bigger role in co-creating brand and communications (Azar et al. 2016; Lund et al. 2018). These different brand stories can be used to connect the marketers' communication mix with actual experiences to form an emotional connection with the customer (Lund et al. 2018).

Connecting and sharing content with their network on social media makes consumers storytellers (Lund et al. 2018). When previously marketers have been building stories about their brands, social media enabled the consumers to participate actively in storytelling (Singh & Sonnenburg 2012). The appealing and interesting stories can even spread beyond these networks and become viral when people are sharing them around the world. Therefore, people with adequate storytelling competencies can reach and influence millions of people with their stories, which makes great storytelling an influential and powerful tool. Social media presents multiple platforms to tell multiple different versions of stories and influence people with them, which are changing perceptions of brands and forming multiple versions of them. (Lund et al. 2018)

With social media consumers have become co-authors of brand stories, which has an effect on brand management (Gensler et al. 2013). Furthermore, marketing practices should be rethought due to lack of control of the informal conversations that are held to co-create the brand (Lund et al. 2018). Even if marketing practices are used to build a commercialized brand story that embodies the brand, brand's identity might be altered or even disintegrated due to consumers' stories of their experiences and opinions (Lund et al. 2018). Individuals are able to share their versions of brand stories as a result of either positive or negative brand experience. These consumer-generated brand stories can make additions to the pursued brand meaning of the company and challenge the brand's aspired identity by adding new meaning to a brand. Brand stories' consistency varies whether they are generated by the firm or the consumer – firm-generated are usually consistent and coherent, whereas consumer-generated have a bigger tendency to change over time. With brand management consumer-generated brand stories can be influenced or promoted if they are beneficial for the firm. (Gensler et al. 2013)

Branding with customers requires involvement and participation in online communities on social media. In online brand communities, brands are able to co-create brand images with their customers. This co-creation process can lead to relationship marketing. Brands can encourage customers to interact and thereby improve relationship quality and loyalty by creating online brand communities for branding co-creating purposes. The usage of online communities in the brand development can be even beneficial for firms that are in the process of developing new products or brands. Providing effortless information sharing with the brand and other consumers in online communities is crucial for companies to succeed in co-creation of branding. It can be useful also if the company wishes to improve relationship quality and loyalty that can lead to co-creation of the brand. (Hajli et al. 2017)

## **2.5 Social media as a brand building platform for new businesses**

As previous literature implies, social media has an impact on branding and brand building (Ashley & Tuten 2015; Kohli et al. 2015; Taiminen & Karjaluo 2015; Azar et al. 2016; Gao & Feng 2016; Bacik et al. 2018; Barcelos et al. 2018; Moro & Rita 2018). Social media therefore presents a great platform for startup companies and SMEs to educate consumers' about their offerings, build brand awareness, advertise their promotions, attract new customers and reach exciting ones efficiently (Taiminen & Karjaluo 2015; Basri & Siam 2017). Thanks to social media's ability to engage customers around the world timely and directly with lower cost and higher efficiency than more traditional communication tools, it can be a recommended way to reach consumers for SMEs (Kaplan & Haenlein 2010; Enginkaya & Yilmsz 2014; Basri & Siam 2017).

Due to changes that social media has brought to branding it is easier to introduce new brands without heavy investments (Kohli et al. 2015). Social media is found to be an exquisite platform to introduce a brand and present it to potential customers, publish content, and increase engagement and communication with customers (Basri & Siam 2017). SMEs have been also using social media to foster customer relationships, gain brand awareness, illustrate expertise and get new contacts (McCann & Barlow 2015).

However small businesses seem to be underutilizing social media as a marketing tool and fail to maximize the potential (Momany & Alshboul 2016; Basri & Siam 2017). Therefore, it is important to explore what opportunities social media brings to new businesses

throughout the brand building process that was presented in Figure 5. The first two steps, committing to the brand building process and defining branding strategy, are highly dependent on the entrepreneur. Social media might have indirect effect on these two steps in the mind of the entrepreneur but it is assumed that the first dimension of the brand building process that can be influenced by social media is brand identity that has been created by the firm in an internal process.

### **2.5.1 Social media and its impact on brand identity**

Even though, brand identity is build internally, presents the brand from the brand owner's viewpoint (Joachimsthaler & Aaker 1997), and often shares the values with the entrepreneur (Juntunen et al. 2010), it can be affected by social media. Especially if the company decides to be more market oriented and chooses an outside-in approach that is primarily focused on brand image and customer satisfaction (Urde et al. 2013), consumers' feedback and brand experiences shared on social media can have an impact on the brand identity. Thus, this two-way communication on social media provides the brand owner an opportunity to modify the created brand identity according to consumers' feedback. In addition, co-creation of brand stories can add new meanings to a brand and challenge the brand identity (Gensler et al. 2013). If these added meanings and associations are positive and valuable for the firm, they can be adopted and added to be a part of the brand identity.

### **2.5.2 Social media and enhancing brand awareness**

A highly important goal that the marketers have is to simply make consumers aware of the brand (Bacik et al. 2018). Therefore, improving brand awareness is an important task to carry out through social media (Basri & Siam 2017). Even new companies that are trying to get known among potential customers can use social media channels to raise brand awareness and engaged followers (Virtanen et al. 2017). Increasing brand awareness with social media is achievable with communication and interaction between a brand and consumers (Bacik et al. 2018). Special features of social media provide opportunities for new businesses to enhance their brand awareness.

Firstly, brand awareness can be achieved by using social media as a marketing channel. As startups and small businesses have restricted budgets, easily accessible social media platforms present marketing opportunities at little financial cost (Basri & Siam 2017). Since with social media it is possible to reach wide range of customers, growth is more achievable even for smaller companies (Nisar & Whitehead 2016). Startups and SMEs can utilize either firm-created content or user-generated content to reach consumers that can lead to increased level of brand awareness (Alam & Khan 2019). With social media, startups and SMEs have the possibility to customize and create focused marketing messages (Enginkaya & Yilmsz 2014). Marketing in social media can be therefore well tailored to the local market (Bianchi & Andrews 2015). Startups and SMEs can also optimize targeting by increasing awareness about the audience (Basri & Siam 2017).

Branded content is one way to do advertising that also provides shareable content for consumers that enhances the development of brand awareness (Ashley & Tuten 2015). It is important that the company is posting well-created marketing messages and high quality content that is engaging, informative, entertaining and enjoyable to potential customers to increase brand awareness effectively (Barreda et al. 2015; Godey et al. 2016; Basri & Siam 2017). In addition, it is beneficial to specify different metrics for social media marketing that are being followed by marketers, keeping in mind the differences between platforms (Virtanen et al. 2017). Social media online activities and interactions should be analyzed regularly (Basri & Siam 2017).

As consumers can generate content on social media for the brand's marketing purposes and customer-to-customer marketing is increasingly popular, user-generated branding (UGB) presents more cost-efficient form of marketing. Therefore, UGB provides an interesting marketing option especially for companies that are trying to maximize their profits and minimize their costs, like new businesses. In order to succeed and reach maximum audience marketers have to recruit consumers or brand ambassadors to publish posts of the products or services on their own social accounts or brand's online and social media platforms. Working with people that love the products and services and share content to like-minded people raise awareness within potential customers. (Geurin & Burch 2017) Companies could also collaborate with celebrities to make their campaigns go viral (Bianchi & Andrews 2015).

Secondly, new businesses can employ social media as an interactive platform for customer engagement that boosts brand awareness. Firms can encourage consumers to engage and enhance word of mouth communication that can be valuable form of

marketing for brands (Ashley & Tuten 2015). Increasingly influential word of mouth marketing is possible for startups and SMEs by encouraging consumers to share brand related content through social media platforms as millions of consumers can be reached within seconds (Basri & Siam 2017). Word of mouth creation could be encouraged by for example offering a discount code or gift card (Basri & Siam 2017).

Thirdly, brand awareness can be gained by forming a brand community. Creating an online community of both brand ambassadors and target audience who can promote brand awareness and give additional exposure is beneficial (Basri & Siam 2017). Furthermore, offering rewards and brand community exclusive content are seen beneficial marketing tactics to build brand awareness (Barreda et al. 2015). In the beginning, community building can be done by following other users that is one cost-efficient way for SMEs to build their audience and brand awareness on social media (Virtanen et al. 2017). However, it is good to keep in mind that this does not work on every platform because of differences in user interfaces and in primary social behaviors (Virtanen et al. 2017). Following is seen to be the most effective way to increase the number of followers on Instagram because the user gets a notification on the new follow which makes it quick to react and follow back (Virtanen et al. 2017).

### **2.5.3 Social media and creation of brand image**

Brands should see social media marketing as an image-building tool – that is not only necessary but also cost-effective – instead of just a way to reach customers (Godey et al. 2016). It has been found that social media communications can be more capable of forming a positive brand image than traditional media (Bruhn et al. 2012). Consumers' online interactions are carving the brand image, and consumers' and company's presence has an impact on the brand building process (Alam & Khan 2019). It is important for businesses to be present on social media to learn how consumers are responding to their brand related content (Alam & Khan 2019). A positive perceived brand image created by customer's experience with the brand on social media also improves brand awareness (Bacik et al. 2018).

Creating a brand image can be carried out by using social media as a marketing communication channel. Brand image can be created on social media by using firm-created and user-generated communication. While firm-created content and

communication can principally have an effect on functional brand image, user-generated content and communication can have a significant impact on hedonic brand image. (Bruhn et al. 2012; Alam & Khan 2019) Enhancing consumer engagement on social media can be a part of brand image creation. Consumers that are highly involved with the brand are more prone to write positive comments and are often mentioning the brand's attractiveness and desirability that are characterizing the hedonic brand image. Furthermore, user-generated communication is seen as a more objective evaluation of the brand that can be more credible and authentic. As the communication about the brand is public on social media, the brand can become a talking point, which then can confirm its desirability. Marketers can utilize firm-generated communication to create a framework to inspire user-generated communication. (Bruhn et al. 2012)

User-generated communication can be encouraged by providing a platform where feelings and information about the brand can be shared (Bruhn et al. 2012). When consumers are able to share their personal evaluations on the brand openly on social media, brands can take advantage of these written customer experiences, make changes in the brand offering and react to different interpretations of the brand (Davis et al. 2014; Barreda et al. 2015). Having a dialog with consumers gives the brand managers an opportunity to reduce misunderstanding and possible prejudices towards their brand (Kim & Ko 2012; Gao & Feng 2016). Two-way communication with consumers is thus an important source of information when it comes to building brand image. It is essential to listen what the brand's followers have to say about the brand and collect feedback (Basri & Siam 2017). When consumers are providing feedback about the products or the brand, it can be used as beneficial information how the brand or its products are perceived in the market and improvements can be made (Kim et al. 2015; Hajli et al. 2017; Yadav & Rahman 2017). Collaboration with consumers can be taken even further and enable co-creation process that can be used to provide consumers the opportunity to create the brand image together with the company (Hajli et al. 2017). By using brand stories that consumers have shared on social media, marketer can benefit from these actual experiences and create even more approachable brand image (Lund et al. 2018).

#### **2.5.4 Social media and building brand equity with customer relationships**

When the company has been able to gain brand awareness, perceived quality and positive brand associations, brand loyalty and customer relationships can be enhanced

with social media to achieve strong brand equity (Aaker 2010). The use of user-generated content on a brand's social media accounts can lead to better relationships with the customers and improved control over branding and brand messages (Geurin & Burch 2017). At the same time, consumers are given the feeling that their voices are being heard in the development processes and they are doing their part for the brand, which enhanced the feeling of belonging (Geurin & Burch 2017). Informal and personal two-way communication can be used to build rapport with consumers and foster consumer-brand relationships (Davis et al. 2014; Gao & Feng 2016).

Engaging and cherishing relationships with consumers who support the brand can be seen as a part of brand equity creation on social media (Rutter et al. 2016; Virtanen et al. 2017). For example, liking and commenting on can be used as actions to interact with brand's followers and nurturing relationships with them (Virtanen et al. 2017). Customer engagement can be enhanced by creating talking points and encouraging interaction between other consumers and the brand (Barreda et al. 2015). Furthermore, building a brand community to create community spirit and brand loyalty and to improve relationship with existing customers and is seen valuable since a consumer-brand relationship tends to build stronger when the consumer is engaging with the brand on social media than if this interaction is not facilitated (Laroche et al. 2012; Luo et al. 2015; Hudson et al. 2016). In a brand community, marketer can also encourage consumers to interact and take part in branding co-creation process to deepen the relationship and loyalty even further (Hajli et al. 2017).

### **3. RESEARCH DESIGN AND METHODS**

In this chapter of the master's thesis, chosen research methodology is described and decisions are justified in further detail. After focusing on qualitative research design and a multi-case study as a research strategy, data collection and analysis methods are represented. Furthermore, validity and reliability aspects of this research are assessed. Finally, selected cases for this qualitative research are presented.

#### **3.1 Research context and case description**

The aim of this master thesis is to deepen understanding about brand building and social media marketing among new businesses, and therefore qualitative research was seen as a more appropriate research method for this thesis. Qualitative research is exploratory in nature and aims to gain an understanding of complex phenomena in a systematic perspective (Gummesson 2005; Andriopoulos & Slater 2013). From the qualitative research strategies a multi-case study was selected to understand the research topics from the entrepreneurs' point of view by conducting in-depth interviews. Thus, the same empirical method as many other SME and startup researchers have used in the field of brand building (Rode & Vallaster 2005; Ojasalo et al. 2008; Bresciani & Eppler 2010; Juntunen et al. 2010; Centeno et al. 2013; Latiff & Safiee 2015) was selected to be employed in this master's thesis.

In case study, researcher is able to use one or multiple cases "to arrive at specific or general conclusions about certain phenomena, recognizing the multitude of variables, complex interrelations and ambiguities of business life" (Gummesson 2005, 322). It aims to comprehend phenomena and different dynamics within single settings (Eisenhardt 1989). Case study method utilizes real world data to develop concepts and propositions and to test theories (Gummesson 2005). The objective is to reveal rich information about relationships and connections of different factors (Gummesson 2005). Case study applies comprehensive insights of empirical phenomena, which can bring unique opportunities to developing theory (Dubois & Gadde 2002). Therefore, case study method can be used to both theory generation and theory testing (Gummesson 2005). Furthermore, as empirical research might unveil unanticipated issues, case study research is able to expand theoretical framework (Dubois & Gadde 2002).

There are no generally accepted number of cases needed to make conclusions with a case study research when cases that are offering maximum information are picked purposefully. Even a single case study expands our understanding about a specific phenomenon and provides general learning. (Gummesson 2005) However, the use of multiple cases offers more expansive exploration of research questions and a better-grounded theory (Eisenhardt & Graebner 2007). Yin (2014) suggests using a case study of at least two cases since it can improve the quality of the research, provide analytic benefits and present the opportunity of direct replication.

Sampling in qualitative research refers to the selection of the cases that will be used in the research (Curtis, Gesler, Smith & Washburn 2000). When the number of cases is small, it is not viable to select cases randomly (Seawright & Gerring 2008). If cases are selected purposefully, "it allows us to choose a case because it illustrates some feature or process in which we are interested" (Silverman 2005, 129). Therefore, it is important that case selection is carried out with some form of purposive sampling in order that more appropriate cases for a specific research strategy can be utilized (Seawright & Gerring 2008). Theoretical sampling refers to that "cases are selected because they are particularly suitable for illuminating and extending relationships and logic among constructs" (Eisenhardt & Graebner 2007, 27). It therefore supports that the selected cases offer valuable theoretical insight (Eisenhardt & Graebner 2007).

Two case companies were purposefully selected to conduct this research. In order to increase the probability that the selected cases would be relevant following criteria was utilized in the sampling process. Firstly, companies had to be active on social media channels, notably on Instagram that has been increasing its popularity and becoming a medium of choice for new businesses (Latiff & Safiee 2015), since their brand had been launched. Secondly, companies had been able to gain Instagram followers to a reasonable amount of 3 000. Thirdly, companies had to be founded not longer than five years ago since that is generally determined in the entrepreneurship literature (Bresciani & Eppler 2010), and the focus of the research is on the early phases of brand building. Finally, companies had to be in the working in the business to consumer sector.

By following these four criteria, suitable case companies were searched through Instagram and their websites were reviewed to gain further knowledge. Founders and CEOs of seven possible case companies that met the criteria were contacted via email. The aim of the thesis was described and requests for an interview were sent. In the end, two entrepreneurs were ready to take part in the research. Both of the selected case

companies are new businesses that have been able to utilize social media in their brand building since their brands were launched, and thus, can be seen as a particularly suitable cases for this thesis.

### **3.2 Data collection methods**

With case study, researcher can avail many data collection methods even in combination, for example interviews and observations, and the data can be qualitative or quantitative, or a mix of these two (Eisenhardt 1989; Eisenhardt & Graebner 2007). From the qualitative data collection methods, the research interview was selected as the main method for this thesis to gain broad understanding about the research topics from the entrepreneurs' point of view. With well-planned interviews researches are able to collect rich data and learn about the viewpoint of others (Qu & Dumay 2011). Furthermore, Eisenhardt and Graebner (2007, 28) emphasize that with interviews it is possible to efficiently "gather rich, empirical data, especially when the phenomenon of interest is highly episodic and infrequent". From the interview methods, structured, unstructured and semi-structured interviews, semi-structured method was selected. Semi-structured interview contains "prepared questioning guided by identified themes in a consistent and systematic manner interposed with probes designed to elicit more elaborate responses" (Qu & Dumay 2011, 246). By focusing on the interview guide that includes selected themes that will be discussed, makes guiding the interview towards the important topics easier (Qu & Dumay 2011) Interview guides, whether they are relatively loose or very scripted, are assuring that "the same thematic approach is applied during the interview" (Qu & Dumay 2011, 246).

Semi-structured interviews are based on human conversation, which makes them flexible and "capable of disclosing important and often hidden facets of human and organizational behavior" (Qu & Dumay 2011, 246). Like in an ordinary conversation, semi-structured interview authorizes interviewer to explore and ask follow up questions. Furthermore, interviewees are able respond in the way they prefer and by using the words they feel comfortable with. There is not a one single way of conducting an interview because each interviewer can have their own interviewing style adapted to get the most complete answers from the interviewee, which means that each interview environment is unique. Interviewer can aim for the best end result by building understanding between him/her and the interviewee, keeping the conversation alive and avoiding questions that cool off the

discourse, interrupting, focusing and pacing the interview when needed, adapting a non-judgmental attitude, and embracing silent moments with patience. (Qu & Dumay 2011)

Interviews can be conducted by interviewing either an individual or a focus group (Qu & Dumay 2011). Since entrepreneur's role in the company is found to be crucial (Krake 2005; Rode & Vallaster 2005; Berthon et al. 2008; Juntunen et al. 2010; Centeno et al. 2013), it was decided that the in-depth interviews would be conducted by interviewing the founders and the current CEOs of the case companies. Therefore from discretionary sampling methods elite sampling was utilized (Tuomi & Sarajärvi 2002). Elite sampling allows the researcher to choose people who are assumed to have the best knowledge about the research subject as informants (Tuomi & Sarajärvi 2002). It is presumed that the founders and CEOs of the companies can provide the most accurate information about their brand building process.

The interview questions (Appendix 1) were based on the previous literature review and research questions to be able to expand the current knowledge. Questions formed the guide for the interview and ensured that any topics that are crucial for this thesis will not be missed. As a semi-structured interview method was utilized, open-ended questions and broad responses were followed by follow up questions that enabled to expand answers to even further and to avoid misunderstandings. The summary of the interviews is presented in the Table 1. Entrepreneur A was interviewed on the phone while Entrepreneur B was interviewed face-to-face in a meeting room at their office. Both of the interviews were recorded that allowed making sure exactly what was said during the interview in order to avoid missing valuable insights. After conducting the interviews, the records were written down to transcripts to facilitate the data analysis.

Table 1. Summary of the interviews.

Company	Interviewee	Role in the company	Interview location	Length of the interview
Company A	Entrepreneur A	CEO and co-founder	Phone interview	52 min
Company B	Entrepreneur B	CEO and founder	The office of the Company B	49 min

To reinforce and broaden the findings gained through the interview process, observation was selected as the supporting data collection method. Observation refers to that the researcher monitors the research object and makes notes of the observed findings (Metsämuuronen 2008). In this thesis, case companies were observed on social media, notably on Instagram, to investigate their social media marketing efforts. By observing marketing methods used in addition to the interviews, it was possible to gain more comprehensive picture of the use of social media in the brand building process.

### **3.3 Data analysis methods**

One of the characteristics of qualitative research is that researcher is collecting data, analyzing it and interpreting it simultaneously as data is often generated in interaction. In addition, tentative conclusions can be made during already this process. (Gummesson 2005) Therefore, preliminary data analysis began to develop during the interactive interviews, as interviewees' responses were interpreted and follow-up questions were posed. Analyzing case study data can be done by combining within-case analysis and cross-case comparison. Generally, within-case analysis includes comprehensive description of the case and its objective is to become familiar with each case separately. When within-case analysis is coupled with cross-case comparison, researcher can first discover patterns that are unique to each case and then look for generalizable patterns. (Eisenhardt 1989)

Comparison is an important part of qualitative research analysis. In a continuous comparison process data can be compared with other data, with theory, and with previous research results to be able to create patterns and finally theories. (Gummesson 2005) There are a few strategies that can be applied when conducting cross-case comparison. A first tactic is to choose dimensions by following researcher's preference or suggestions arising from the research problem or from existing literature, and to seek within-group similarities and intergroup differences. Another strategy is to group cases in pairs and to write down the differences and similarities that can be identified between each pair. Forcing a comparison between cases, whether they are really similar or different, might bring up unexpected, new categories and concepts. A third tactic is to separate data according to its source and investigate whether detected patterns are validated by similar evidence from another data source or whether they differ depending on the data source.

All in all, cross-case investigation enables more profound analysis than initial impressions suggest, which supports finding novel findings. (Eisenhardt 1989)

### **3.4 Reliability and validity**

Reliability and validity aspects of this research have been assessed in various ways to ensure the quality of this thesis. When abductive research approach has been selected, it is important that the researcher is open and transparent about the research process (Järvensivu & Törnroos 2010). In addition, it has to be noted that the researcher carries the main role in qualitative research as the analysis determined by his/her intuition that can suppress bias (Gummesson 2005). Interpreting interview data has led to empirical findings that represent the researcher's interpretation of the reality (Qu & Dumay 2011). Despite that there are no specific tests to examine the validity and reliability of the qualitative research, it is essential that the researcher presents the data and the findings that have appeared in the best way possible (Patton 2002).

Even though the same reliability and representativeness criteria as in quantitative studies cannot be often employed to case study research, it is important to address quality of the research (Gummesson 2005). Reliability indicates "the demonstration that the operations and procedures of the research inquiry can be repeated by other researchers which then achieve similar findings" (Riege 2003, 81). Yin (2014) suggests addressing reliability problem by making operational steps and having a mindset that the research is conducted under surveillance. By following same procedures as the researcher, an auditor should be able to get same results (Yin 2014). Thus Yin (2014, 49) concludes that "a good guideline for doing case studies is therefore to conduct the research so that an auditor could in principle repeat the procedures and hopefully arrive at the same results". Reliability of this thesis has been therefore improved by describing methods and procedures used in order to increase the probability of replication.

Riege (2003) suggests assessing construct, internal and external validity to improve quality of the case study. In order to enhance construct validity, it is important to try to avoid subjective judgments when it comes to research design and data collection (Riege 2003). In this thesis, data was collected with in-depth interviews and observation to enhance validity. Furthermore, interviews were recorded in order to ensure the accuracy of the collected empirical data. Internal validity focuses on cause-and-effect relationships

and ensuring credibility with valid research process (Riege 2003). In addition to highlighting the patterns appearing from the similarities and differences between cases, advancing internal validity requires efforts to identify components that are important for these discovered patterns (Riege 2003). Utilizing both with-in case analysis and cross-case comparison have been helping to improve the internal validity of this thesis. External validity emphasizes the generalization of the findings, which is depended on analytical generalization when it comes to case studies and requires comparison of theoretical and empirical findings (Riege 2003). Constant comparison between previous research findings and empirical results has been conducted in the research findings to improve external validity of the thesis. The validity of qualitative research can be also improved by addressing the applied sampling methods carefully (Curtis et al. 2000). As the case companies were selected by following specific criteria and the selection process was explained, the validity aspects have been advanced.

### **3.5 Introduction of the case companies**

Company A is a Finnish company that sells wooden and leather accessories through their own e-commerce and through about 50 resellers around Finland. Company A was founded in 2015 by three friends that share the same interest in nature, forest and wooden materials. One of the founders had seen a wooden accessory during his student exchange in Canada and the idea was born. Company's website and e-commerce were launched already during the same year as the company was established, in summer 2015. (Entrepreneur A) At the same time, Company A introduced their brand on Facebook and Instagram and has been able to gain followers with an impressive rate to almost 13 400 on Facebook and 13 200 on Instagram (Facebook 2019b; Instagram 2019b). Company A is still a small company and employs five people including the three founders. Almost all the operations like warehousing, e-commerce order management and marketing are run from their Helsinki headquarters. Everything is mainly in the hands of the company, done in-house. (Entrepreneur A)

Even though, Company A's brand and products have been able to gain great amount of awareness in Finland and sales have been doubled every year, their goal is to grow even more in their home market and expand their business abroad. International sales have been small so far and founders see an opportunity to grow awareness and thus sales especially in Europe and in the United States. Apart from a pop-up store in Japan and few

retailers in Belgium, Company A does not have any retailers abroad. However their biggest sales channel is their own e-commerce, which offers a way to sell abroad without any additional retailers. Company A's target market is pretty wide as consumers tend to buy their products as gifts to people at all ages and regardless where they live or what gender they represent. However the most typical user of their products is 25 to 45 years old person who lives in the city but is closely connected to nature and likes natural materials. Their customers like to stand out with their accessory choice that is not the most expensive one but special and distinctive. (Entrepreneur A)

The values of Company A are formed around nature and natural materials. As the company uses wood and elk leather to produce its products, materials are from nature and more ecological. Nature aspect is closely related to everything what they do. In addition, responsibility and naturalness are durable values in their business. Their aim is to make nature a part of people's day in a stylish way and remind people of their relationship with nature. Stimulating feelings with their products to remind people about their memories from playing in the forest as a child, or relaxing in nature as an adult, is their bigger mission. (Entrepreneur A)

Company B is a Finnish skincare company that is developing and selling their own natural skincare products. The company was founded already in 2015 but their first products and own web shop were launched just in January 2018. The first product line has been available for only about a year as products were released gradually. (Entrepreneur B) However the brand became visible to consumers in early 2017 when it was introduced through Facebook and Instagram (Facebook 2019c; Instagram 2019c). After less than two years of active social media presence, the brand's pages have gained more than 3 000 followers on Facebook (Facebook 2019c), and 3 400 followers on Instagram (Instagram 2019c). Company B is a small company with a startup mentality and is aiming for strong growth. It has currently four employees, the founder and CEO, operative director, head of research and development, and an employee who is responsible of communications and marketing. Manufacturing has been outsourced to two to three factories that are located in Finland and in Sweden. The company is in a fast growth phase and the goal is to grow sales even more and expand in order to have customers around the whole European Union area that is their market area currently. Internationalization and increasing customers more than twofold are targets in the short term. (Entrepreneur B)

Most of Company B's clientele are women but as the product line is unisex, men have been interested in the products as well. The majority of the customers are 25 to 45 year

olds living in both bigger and smaller cities. Three main clientele groups can be defined. One clientele group consists of consumers that are looking for natural and/or vegan products. People who have a problematic or sensitive skin and appreciate the fact that the products include just few ingredients and no fragrances form the second group. Finally, consumers that are paying attention to responsibility and acknowledge that the packaging is environmental friendly and recyclable compose the last group. (Entrepreneur B)

Inspiration to establish the company is closely related to the founder's own experiences as a consumer. She had problems with her skin and she could not find any products that suited for herself, which led to developing her own products at home as a hobby. After creating products to her own and friends' use for 15 years, an idea to start her own company and product line had evolved. The objective behind founding the company was to bring products that the founder had always wanted to use but was unable to find to the market and in that way help others that are struggling with their skin. The founding story is carefully connected to the company's values, realness, passion and honesty, that are present in all of their operations. (Entrepreneur B)

## 4. RESEARCH FINDINGS

In this part of the thesis, empirical research findings will be presented to form the empirical base for this research. Empirical data collected with in-depth semi-structured interviews has been divided under themes that appeared from the previous literature and will be analyzed. In addition, remarks collected through observation will be presented. Empirical research findings will be evaluated and compared with the previous literature review by following abductive approach of constant comparison to expand knowledge and understanding of brand building and the use of social media among new businesses (Dubois & Gadde 2002).

### 4.1 Commitment to the brand building process

Theoretical framework that was build according to the previous literature suggested that the first step of the brand building process would be committing to it. Therefore as the key decision maker, the founder's conscious decision to build a brand would be required to start the brand building process (Krake 2005; Berthon et al. 2008; Juntunen et al. 2010; Centeno et al. 2013). After getting to know the brands and the case companies behind them, the theme of the discussion was changed towards brand building and the conscious efforts to brand. Both of the entrepreneurs expressed that conscious effort to start building a brand was taken in the beginning (Entrepreneur A; Entrepreneur B).

*"[...] but of course it has been from the beginning that we want to develop and there has to be something more interesting so that the brand is not just a name [...] but there is so much more so that has been known yes, and we have had strong desire to take it forward." – Entrepreneur A*

Even though previous literature suggested that brand building process could start already before the company was founded (Juntunen et al. 2010; Juntunen 2012), similar observations were not found during the interviews. Furthermore, Entrepreneur B stated that brand building started at the moment when the company was founded, as branding did not cross her mind before the establishment. However the role of the entrepreneur and its importance proposed by various researchers (Krake 2005; Rode & Vallaster 2005; Berthon et al. 2008; Centeno et al. 2013) was strongly supported by the interviewees.

Despite of the fact that case companies adopted a bit different approach in the beginning of their brand building process, the role of the entrepreneurs remained to be significant.

In the beginning of their journey, Company A was relying on the abilities of the three founders and everything was done by them. Therefore, the development of the brand and the company was entirely depended on the entrepreneurs' skills and actions. Especially during the first years, the entrepreneurs naturally took all the decisions and made all the efforts. Even though, currently the founders have chosen to work with professionals that are helping with sparring and daily operations, and everything is not on their shoulders anymore, all the decisions and future plans are thought over by the founders. (Entrepreneur A) Thus, it can be assumed that all the branding efforts and decisions, that have led the brand and Company A where they are now, are depended on the entrepreneurs' commitment to the process.

Entrepreneur's role in the building process has been crucial in the Company B's situation as well. First of all, the founder got the spark to start the business because of her own experiences and desire to help others that are struggling with similar problems with their skin. As a longstanding dream of 15 years, the founder was able to deliberate how she would build the business if she ever decides to do it. (Entrepreneur B)

*"This represents me quite a lot or there's a lot of my personality here, and I believe as this is a passion project for me that in a way I couldn't have created anything that wouldn't have been my kind of a thing." – Entrepreneur B*

As a passionate entrepreneur who had a strong vision of how things should be done from the start, the founder has been in the core of the company and brand. Even though, the founder had the idea of the brand she wanted to create, a branding agency was hired to get things started in the beginning. (Entrepreneur B) Commitment to the brand building process was therefore expanded from conscious decision to start the process to the willingness to develop the brand together with external specialists.

By analyzing these two cases, it can be seen that both of the founders made commitment to the brand building process in the beginning. However the process did not start until the companies were established according to the entrepreneurs. While Company A was ensuring the engagement to the process with the founders' human resources, Company B took a different approach and external branding professionals were brought into the equation to support brand building. In both cases, the entrepreneurs' role was and is essential as decision makers and leaders of the brand building process.

## 4.2 Defining branding strategy

After seeing the value in branding and committing to the process, defining branding strategy is seen as the second step of the brand creation presented in the Figure 5. Since new businesses have often limited resources (Abimbola 2001; Boyle 2003; Krake 2005; Rode & Vallaster 2005; Berthon et al. 2008; Juntunen 2012; Centeno et al. 2013), the suggestion has been to concentrate on a corporate brand or one strong product brand (Abimbola 2001). Both of the case companies have focused just on building one brand that represents all of their offerings. However defining if their brand is a corporate or a product brand was a more difficult task during the interviews, as according to the entrepreneurs, these are close to each other in their cases (Entrepreneur A; Entrepreneur B).

Today, Company B only exists for their natural skincare line and their brand that is presenting all their products. Therefore, the corporate brand and product brand are inseparable and same values are shared between the corporation and the brand. This could be due to that the core values, that are often linked to core competences, are connecting a corporate brand and a product brand, which has been acknowledged by Urde (2003). However, Entrepreneur B mentions that if one of those two would have to be selected, their current brand is a product brand since the brand has been created more for the products than for the corporation. (Entrepreneur B) Entrepreneur A concludes discussion with similar thoughts. Their brand is crystalized in the products but at the same time he sees that a brand must be a bigger phenomenon than a product. In a sense their brand is a product brand as well, but it has to evolve to be bigger than the products themselves. (Entrepreneur A)

*“A good brand is the whole concept, the entity, the entire comprehensive phenomenon that is emerging.” – Entrepreneur A*

Case companies' goals for brand building have been different. Entrepreneur A explains that in the end increasing sales is the ultimate goal. The fact that someone is ready to pay for what they have created is determining whether they have succeeded. As the brand is an intangible asset, the aim is to increase brand awareness and visibility. (Entrepreneur A) For Company B, building a brand was important to provide clarity for the consumers. Making apparent that consumers understand the products and ideas behind them, the

brand and the gained benefits were the main aspects that made brand building essential. The founder believes that it would be hard to sell just a cream without telling anything about the product or the brand behind it. (Entrepreneur B)

*“Clarity towards the consumer so that the consumer understands what she/he is buying, from whom she/he is buying and how she/he is benefiting from that so maybe the clarity was that thing that we started to build.” – Entrepreneur B*

By comparing two cases that were selected for this thesis, it can be seen that specifying the branding strategy has not been clear to either of them. Deciding whether to focus on a corporate brand or a product brand has been irrelevant as these two levels of branding have been combined and decided to concentrate on just one brand that is presenting both the company and the products. Therefore, the results show similar findings than Ojasalo et al. (2008) who stated that making a distinction between product branding and corporate branding among software SMEs is not necessary as these elements are often inseparable. Furthermore, Witt and Rode (2005) found that a corporate brand is often synonymous with the product brand if the new business starts with one product. However both of the companies are following the suggestion to focus on one brand by Abimbola (2001). By concentrating on only one brand, limited resources have a smaller impact to brand building (Aaker 2004). In addition, the entrepreneurs have distinctive goals for branding. Whereas Company B is taking a consumer focus and aiming to provide a clarification about their products, brand and company to the consumers, Company A's goal is to increase sales, awareness and visibility. Thus, brand building process can be started with different goals in the entrepreneurs' minds.

### **4.3 Creating brand identity**

Third step of the formed brand building process is creating brand identity that is providing meaning for the brand and making it what it presents in the eyes of the brand owner (Joachimsthaler & Aaker 1997; Aaker 2010). Both companies have been able to create their own unique identities that are differentiating them from their competitors, which is highly important as it gives competitive advantage (Mindrut et al. 2015), drives essential brand associations and leads to describing what the brand stands for (Aaker 2010). It has been noticed that the entrepreneur often brings unique features to brand identity (Krake 2005; Juntunen et al. 2010), which can be seen in the empirical results as well.

Company B was founded by the Entrepreneur B after she had been struggling with her skin and had not been able to find the products she needed that followed creating products as a hobby for 15 years. Therefore, already the whole story behind the company and the brand is unique and highly attached to the founder, instead of being created by an ad agency. The founder wanted to utilize her own consumer experiences after all the frustration and anger she felt when other brands were promising something but were doing the other. Furthermore, the entrepreneur recognizes that her personality is the brand's personality, which follows Krake's (2005) findings of that the entrepreneur is the brand. (Entrepreneur B)

*"I wanted to integrate all my experiences as a consumer to this brand." – Entrepreneur B*

The creation of the brand identity therefore started with the founder's thoughts and ideas of the brand. One of the founder's friends suggested a name for the brand and the founder added the second part of the name in order to demonstrate from where the brand was coming from. Getting help from the entrepreneurs close connections in the beginning follows Juntunen et al.'s (2010) remarks that the brand's personality is created with the entrepreneur's family, friends and financiers. Even though the founder had a clear vision of the brand she wanted to create, a branding agency was hired to ponder different aspects of the brand. With the brand agency, the founder was able to go through thoughts about what makes the brand as the values where highly connected to her own values. (Entrepreneur B)

*"I had a really strong vision of what I want to do and how does it look like" – Entrepreneur B*

The brand and its identity started to develop by first having many attributes and wide perspectives to a more defined version, and this process is still continuing to this date. However, the values of the brand, realness, passion and honesty, summarize the founders desire to do things in a different way than many others and have been embraced in everything they do. Even if new brands and products would be introduced these core values represent the way of doing business to the founder and would be therefore benefited by the new brands as well. The brand identity is crystalized in their slogan that is emphasizing the simplicity and straightforwardness of the brand that has been endorsed in every aspect of the brand from packaging to communication. Defining these core aspects of the brand in the beginning was highly important to the founder. (Entrepreneur B)

*“As I am analytic and I hate disorder above all, I wanted somewhat right away that what is our core, what we are going to sell and the understanding of that we can’t be everything to everyone and it wasn’t the aim either [...]” – Entrepreneur B*

The products of the Company B are in the center of their business and brand identity. As research and development are essential for the company and products are developed in their own laboratory, they have naturally affected to the brand identity as well. The desire is to create outstanding products that will be tested by the founder and the employees to ensure that the products work like they should. The aim is to produce minimalistic products that work without adding any claims, like anti-aging, that could mislead the consumers. Transparency has been taken so far that all the raw materials, their origins, production methods and all the possible information that can be found is described on their website. It seems evident as the founder was creating products at her home prior founding that the product development has to be top notch and all the work behind the products and ingredients, their traceability and quality is an important part of the brand. In addition, thorough product development has affected on the brand building process and on the schedule of the brand launch. (Entrepreneur B)

*“One reason for that we have been taking so much time is that we have used an awfully lot of time to product development so that we have almost 200 recipes or more of almost all of our products and we want to create classics and we want to be absolutely sure that we have the best possible product that I can use and we test everything to ourselves right away [...] that product development is an essential part of the brand because few companies of this size have an own laboratory and we are in every way a product development driven company in that way.” – Entrepreneur B*

It was also important for the founder that the product sizes are less than 100 milliliters in order to make sure that all the products can fit to the cosmetics bag needed when travelling. When it comes to packaging, it was decided that it contains minimum amount of plastic since the founder is concerned about the use of plastic and its effects to nature. In addition, dark glass bottle was chosen as the packaging for the face oil for protecting it from oxidizing. Their logistics are using recycled paper and recycled cardboard boxes whenever it is possible, as the founder believes that the most important thing is just to get the products safely to the customers instead of using branded packaging. (Entrepreneur B)

From the beginning the founder had a vision of the brand’s visual elements. They had multiple options of the elements that were tested among consumers in order to find what

is presenting the brand the best. The abstract visual elements created by a Finnish artist that the founder preferred in the first place were found to be the best choice for the brand. Even though the founder had a strong vision, they wanted to make sure that the consumers are on the same page. (Entrepreneur B)

*“[...] as soon as I saw her presentation, I thought that that suits for us but then we also tested that among consumer groups in six different countries and checked out kind of what represents the brand the best.” – Entrepreneur B*

The challenge in building the brand identity however was that many elements of the brand were by chance following the current trends, which made them to have almost too many brand attributes. Therefore, consumer study was conducted to test different the brand attributes to find out which ones the consumers prefer and which ones the people in the company prefer to be able to choose the ones that will be highlighted. If the consumer response would have been dreadful, changes would have been made, but fortunately the response was remarkable. (Entrepreneur B)

*“Consumer is always the most important thing in it but we did pretty big exercise back then when we did that big consumer study, there was 3 000 people involved and from six different counties so then we tested this story and brand that do consumers like it and with those results we did some fine tuning and actually we have stick to those. So somewhat yes I had a strong vision about what I want but I also wanted to test it [...].” – Entrepreneur B*

The process of creating the brand identity for Company B has been continuous and many aspects have been developing along the way. According to the Entrepreneur B it is hard to mention any phases since everything was prepared to be complete before the launch but then the products were not ready. It has therefore taken a lot of time and building blocks are hard to separate. However the brand has gotten new features when a new person has joined the creation process. (Entrepreneur B)

*“When I started this, I was alone and then gradually new people came along so of course every time when a new person has joined she/he has brought something of her/his own to the brand but in a way there’s no phases so there’s only the time before we started selling and the time after that.” – Entrepreneur B*

By analyzing the brand identity creation of the Company B, it can be said that the internal brand building was done with care and thought and a lot of time and effort has been put into the process. The process has been consistent, which has been recommended by Witt

and Rode (2005) in order to achieve a positive perceived brand. Many parts of the brand identity have been affected by the entrepreneur's own values and identity, and she has been a driver in creating the values and identity for the brand, which follows Juntunen et al.'s (2010) findings. The brand core values and motto that crystalizes the brand identity have been taken into account throughout the process, in every aspect of the brand making the brand identity coherent. It can be seen that all the brand elements were thoroughly thought-out and all four perspectives of brand identity presented by Aaker (2010) were present in the brand identity creation process from considering product and organizational attributes to symbols and personality that is closely attached to the founder.

Company A's internal brand creation process was different compared to Company B's according to the interview. Since the three founders established the company without prior experience and external investments, and external guidance in the brand creation process was not used, process involved a lot of learning and continuous development. Therefore the process follows Centeno et al.'s (2013) findings that a brand can be build by experimenting and making trials and errors and learning from them. There have not been clear steps along the way but the desire to develop a brand and make it interesting has been present from the beginning. (Entrepreneur A)

*"[...] of course we had a vision what we want to do with the brand, where we would want to take it but then the methods and hands-on aspects were pretty thin in the beginning, in fact we started doing and we were learning along the way, and still we try to learn all the time and develop so there is still a lot to do [...]." – Entrepreneur A*

The brand values that were formed are based on the values and opinions of the founders so the base of the brand identity is similar to the founders' identities, which again supports Juntunen et al.'s (2010) findings of the similarities since the founders were the ones developing the company and the brand in the beginning. Brand values are formed around nature and natural materials as the inspiration for establishing the company arise from seeing a wooden accessory and realization that that could work in Finland as well, since nature and forest are appreciated and a great amount of wooden material is available. Therefore it can be seen that the brand values are closely related to the founding story. In addition, being environmentally friendly, sustainable and transparent are in the core of the brand. The co-founder sees that sustainability and transparency are aspects that cannot be overlooked in today's business world. (Entrepreneur A) This follows Kohli et al.'s (2015) and Fournier and Avery's (2011) findings that brands are required to be more and more transparent.

Important aspect of the brand identity has been that the brand is not positioned as an eco-product even though nature and naturalness are important for the brand. The co-founder explains that they wish to provide a stylish and elegant option and a brand that reminds of people of the memories they have had in nature and in that way brings a piece of nature to people's everyday life. Products that the brand represents are made out of natural materials, which was the inspiration to brand values. Wood is in the highlight as most of the products are made out of different wooden materials. Another natural material commonly used is sustainable elk leather that presents the brand values as well. (Entrepreneur A)

Different perspectives to creating a brand identity have been utilized by the two case companies. According to the interviews, Company B's brand creation process, that was conducted with the help of a branding agency, was more elaborate and thought-out as different perspectives of brand identity were considered, brand identity was based on the founder's values and personality, and the created brand identity was defined by testing the brand among the consumers. Company A's internal brand building process was more high paced, as the company was founded in 2015 and web shop was launched already during the same summer, and brand was created by learning and developing along the way since external specialists were not used in the process. Similarities between these cases can be found as well. Both of the companies have availed entrepreneurs' values when creating the values for the brand that is supported by previous research (Juntunen et al. 2010). Entrepreneurs are in the core of their brands and their opinions and decisions have built the brand identities. It seems that the entrepreneurs of both of the brands have been creating brands that are honest to their roots, have been benefiting their unique stories that led to establishing their companies and have been developing their brands continuously along the way.

#### **4.4 Social media in the internal brand creation process**

Social media did not have a crucial role in the actual internal brand creation process, including committing to the brand building process, defining branding strategy and creating brand identity, among the case companies. In addition, competing brand stories that could be created by the consumers to add new brand meanings or challenging brand identity (Gensler et al. 2013) were not mentioned. Social media was found to rather be a

place for benchmarking competitors and receiving customer feedback (Entrepreneur A; Entrepreneur B).

Company A had utilized social media to benchmark with European and American competitors and to follow how they want to be seen and remembered in the eyes of the consumers. While two-way communication has enabled consumers to send some remarks on social media, these have not had a direct effect on brand identity, but rather been useful hints from consumers about their wishes. Even though Entrepreneur A mentions that they have taken more market-oriented outside-in approach, that has been presented by Urde et al. (2013), as they ponder how they want consumers to see them from the outside and make internal actions accordingly, social media has not had a notable effect on the process. (Entrepreneur A)

Likewise, Company B benchmarked competitors on social media to have an idea what they want their social media to look like and what kind of material could be used. Even though Company B places consumer in the core of their business, they have taken more brand-oriented approach as the focus is on the customer satisfaction but without compromising the core brand identity (Urde et al. 2013). Therefore, consumer feedback does not necessary affect their brand identity even if the comments are sent through social media. However communication with consumers is necessary despite the desire to stay true to the brand and its values. (Entrepreneur B)

*"[...] It is a dialogue but then again we already know that these specific base blocks speak to the consumers. We won't bargain about things in that sense. [...] But we got a lot of these that why our products don't have a fragrance so then we can just say that too bad if you are missing the fragrance but this is our policy." – Entrepreneur B*

According to the empirical results it could be said that social media does not have fundamental effect on the internal brand creation process or in the actual formation of the brand and its identity. However it presents an alternative way to benchmark competitors and examine how social media can be used before launching an own social media page. This could help in designing company's social media presence, showcasing its identity. In addition, social media can offer a way to get feedback from the consumers. It is then the company's decision to take whether these consumer responses are strong enough to have an effect on the brand identity.

## 4.5 Enhancing brand awareness with social media

After the brand is created internally, enhancing brand awareness is seen as the next step of the brand building process presented in the Figure 5. One of the most important goals for a marketer is to build strong brand awareness that is simply to make consumers aware of the brand (Barreda et al. 2015; Bacik et al. 2018). This task can be carried out through social media in various ways (Basri & Siam 2017). Both of the companies have actively used social media as their biggest and most important marketing channel along side with Google's channels (Entrepreneur A; Entrepreneur B). Social media therefore presents a crucial platform for these case companies to increase their brand awareness and enhance consumers' ability to recognize and recall their brands.

Company A's biggest and actively used marketing communication channels are Facebook, Instagram and Google that consists of Google Ads, banners and videos. In addition, a few print ads have been published. However the co-founder states that social media has been the biggest influencer to get known among consumers. The use of social media was started from the inception since it was regarded as a perfect channel to boost their web shop and increase website visitors. Since then, Facebook and Instagram have had the most important role in their pursuit to enhance brand awareness and most of the marketing efforts have been directed to these channels. Digital channels have been the preferred choice for Company A since it is extremely easy to measure how much money was used, how many clicks were gained, how much sales it followed and how much revenue it brought to the firm. Therefore it is effortless to justify, develop and refine marketing activities on social media. (Entrepreneur A)

*"In our case, social media has been that biggest factor so without social media [the brand] would have been much smaller or unknown than what it is at this moment. It has been actually along right away from the beginning [...]." – Entrepreneur A*

Measurability has been the number one reason to choose social media to increase Company A's brand awareness (Entrepreneur A). Following specific metrics to evaluate the performance of social media marketing is recommended by Virtanen et al. (2017). Secondly, with social media the brand is able to reach almost all the possible customers (Entrepreneur A). Nisar and Whitehead (2016) highlighted that the possibility to reach wide range of consumers drives growth of small companies as well. Thirdly, it is achievable to target consumers extremely accurately and see results even with small investments, which enables marketers to examine whether something works before

investing larger sums. This level of measurement and traceability of marketing activities and testing before bigger investments is not possible with traditional media. Social media has allowed to customize the content according to the resources. In addition, it is possible to define and group own potential customers for targeting and retargeting purposes, which enables the use of specific marketing content to specific target groups. (Entrepreneur A) Likewise, the possibility to customize marketing messages (Enginkaya & Yilmsz 2014), to tailor the marketing to the local market (Bianchi & Andrews 2015), and to optimize targeting (Basri & Siam 2017) are found to be beneficial for startups and SMEs by the researchers. In addition, flexibility and effortless optimization are social media's assets as a marketing channel according to Entrepreneur A.

Company A has mainly used social media as a marketing channel to increase their brand awareness and paid social media has been seen beneficial (Entrepreneur A). Furthermore, this branded content can be shared among consumers to increase brand awareness even more (Ashley & Tuten 2015). At first, paid social media marketing was started almost without any investments and a few euros were used to boost branded content to test how social media marketing and its algorithms work and to learn how campaigns should and should not be done. During the second year, Company A began to invest more on paid social media marketing after getting a suggestion from another entrepreneur. Immediate results were gained when more investments were allocated to the best working ads. This resulted in increased sales and attaining confidence to invest in marketing on Facebook and Instagram. The entrepreneur states that the euros that have been invested to social media marketing are directly proportional to the gained awareness. Therefore, investing in campaigns can be resulted with greater reach and increased awareness. (Entrepreneur A)

*"[...] paid social media has been the biggest factor at least so far that has increased our visibility and awareness." – Entrepreneur A*

Learning about creating campaigns and making advertising and communications more interesting and diverse so that they are more appealing for consumers has been an important process that still continues (Entrepreneur A). As researchers have found, it is important that the marketing messages are well thought, and that the content is engaging, informative, entertaining and enjoyable (Barreda et al. 2015; Godey et al. 2016; Basri & Siam 2017). In addition, since algorithms of Facebook and Instagram are being updated constantly it is necessary that the company's actions look sincere and the interaction is

authentic in order to boost brand's organic visibility and improve placement in the recommended posts (Entrepreneur A).

By observing and following Company A's brand on social media, it can be noticed that the firm-generated branded content consists of appealing, high quality pictures of both products and their source of inspiration, nature, information about the products, and engaging questions that can be related to either the products and their features or to enjoying nature. Marketing messages therefore look professional and share information about the brand with visual and textual methods to make the consumer more aware of the brand and its products. The importance of nature and its connection with the products have been highlighted, which makes it easier to the consumer to not only recognize that the brand is in the accessory business but also differentiate it from the competitors. In addition, classy, high quality pictures of the products that were seen in the observed ads are emphasizing that the brand and its products are a stylish choice. (Facebook 2019b; Instagram 2019b)

Utilizing user-generated content for example unboxing videos and pictures of the products in use have been another way to increase brand awareness and word of mouth (Entrepreneur A). Geurin and Burch (2017) suggest utilizing user-generated content, as it is cost-efficient way of marketing. Furthermore, enhancing consumers to create word of mouth and share brand related content can be seen valuable and influential form of marketing (Ashley & Tuten 2015; Basri & Siam 2017). It can be observed that Company A avails user-generated content on social media regularly and encourages customers to share pictures with a specific hashtag on Instagram so they can be found and possibly published also on the brand's pages (Instagram 2019b). Boosting consumers to post their own photos about the brand avails social media as an interactive platform. Company A has also used influencers as a part of their social media marketing, notably on Instagram (Entrepreneur A), which has been seen as a way to make social media campaigns viral by Biachi and Andrews (2015).

Gaining followers for Company A's brand page has been another way to increase brand awareness. Appealing pictures on the page are important when a consumer ends up to their page in order to attract the attention. However the entrepreneur sees that increasing the amount of followers has to be done with more active effort if the company wishes to gain followers more effectively. Engaging activations, competitions and collaborations are ways to boost the increase of followers according to Entrepreneur A. (Entrepreneur A)

*“But good example is that week or couple of week ago we did with [one Finnish outdoor brand] a collaboration where was just that win this product bundle so that follow our account and [the other brand’s] account and you are entered, comment below, so with that we got right away we got there then about 500 – 1 000 followers more, so with these individual coups extra visibility can be gained and followers as well.” – Entrepreneur A*

This example of collaborating with another brand on social media is the first co-branding activity that Company A has carried out. Co-branding on social media can be therefore used to gain more brand awareness. The idea is to cooperate with another brand that shares similarities but reaches different target groups, which results in a beneficial collaboration for both of the brands. The entrepreneur believes that more co-branding efforts will be done in the future since the first one was a success. (Entrepreneur A)

Entrepreneur A believes that building brand awareness on social media can lead to recognition not only among consumers but also among stakeholders and possible future retailers. As people are the ones running businesses and utilizing social media as well, it is inevitable that the brand is gaining awareness among different stakeholders. Many retailers are following each other on social media and keeping track of the new brands on the market. Therefore, drawing attention with social media presence can lead to interest of retailers, which has been benefiting Company A’s brand as new retailers have been engaged. (Entrepreneur A)

Analysis of the interview and observations of increasing brand awareness in Company A’s case leads to a conclusion that social media has a crucial role in the process. As the entrepreneur mentions, it is the biggest reason why the brand has been able to grow and gain awareness to that level it has today. Company A utilizes social media in various ways to enhance brand awareness. The most essential way is to use social media as a marketing channel that utilizes both firm-generated and user-generated content. Learning about campaign creation, optimization and targeting have been critical in order to fully benefit from paid social media marketing. In addition, it has been recognized that the content needs to be interesting, appealing and diverse to attract consumers, which follows researchers’ findings that marketing messages need to be well-created and content needs to be high in quality (Barreda et al. 2015; Godey et al. 2016; Basri & Siam 2017). Branded content has been utilizing the visual and textual methods to highlight both products and nature to differentiate the brand from its competitors and improve brand awareness.

Company A has employed social media as an interactive platform as they have encouraged consumers to share their photos about the brand with a specific hashtag on

Instagram. In this way consumers can become a part of the brand community and introduce the brand to their social networks, which enhances brand awareness even further organically. Some efforts to gain followers to their brand pages have been made, notably visual appearance has obtained an important role and a co-branding collaboration has been carried out. While popular brands are being followed on social media easier than unpopular ones (Virtanen et al. 2017), efforts to gain followers and to build brand community can result in enhanced brand awareness and additional exposure (Basri & Siam 2017). As co-branding gained positive results, it can be seen as a usable approach to increasing brand awareness along side social media marketing and boosting consumer engagement.

In Company B's case, social media gained a central role when the brand was launched and gaining brand awareness became the crucial next step. Social media channels Facebook and Instagram, and Google Ads have been the main channels utilized to enhance brand awareness. In addition, few print ads have been published. Entrepreneur B finds that advancing organic search with optimizing their website is highly important as the use of paid marketing can get more expensive within time and the gained traffic is not always relevant. Facebook has been utilized more as an advertising channel that attracts people to visit their web shop and purchase products. Instagram is seen more of an inspirational channel where people get interested about the brand and possibly click to the website to find out more about the brand. Furthermore, Company B has their own corporate blog on their website that is utilized to increase traffic to the their page. (Entrepreneur B)

*“Because it [social media] is efficient and our target group within their age group utilizes it a lot and as a part of the skincare is that people want to test the texture and so on, so I see that it would be impossible not to be there. People read to lesser extent paper magazines and so on, so the whole trend is towards digital so in a way we saw that it is the best option and it is cost-efficient to some extent.” – Entrepreneur B*

Ability to reach different consumers groups effectively (Nisar & Whitehead 2016), and to use social media marketing as a cost-efficient approach that increases brand awareness (Basri & Siam 2017) are important reasons for new businesses to utilize social media. However, Entrepreneur B sees that the main strength of social media is its ability to turn things viral, which has been acknowledged by several researchers (Kaplan & Haenlein 2010; Bianchi & Andrews 2015; Basri & Siam 2017; Virtanen et al. 2017; Colicev et al. 2018; Lund et al. 2018). In addition, it is significant that Company B can follow the path

consumers have taken to their web shop and what kind of content has gotten consumers to raise interest. Instagram and Facebook are seen as the best channels to increase brand awareness since content is effortlessly shareable. Company B has utilized specific content to enhance brand awareness on social media. These can be social media ads or content that's call to action is buying without being an ad. According to the founder, one important part of increasing brand awareness is that the content is inspirational rather than more product specific. In addition, campaigns that include a raffle are beneficial when followers are tagging their friends to the posts. (Entrepreneur B)

Observations from the Company B's brand pages reveal that social media is used as a marketing channel to gain awareness. Firm-generated content displays the brand's products, describes the ingredients and their benefits, shares tips to skincare, gives news and introduces the people behind the brand and products. In addition, user-generated content is shared on stories that are showing for 24 hours. Minimalistic visuality, insightful captions and highlighting the products and their chosen ingredients are making consumers aware that the brand is all about simple, efficient products without adding any unnecessary sales arguments. Ads that were seen are showing the products in simple settings and captions are highlighting that the products are vegan, made in Finland and in Sweden and they work well on sensitive skin. Therefore these uncomplicated ads can attract different target groups whether they are interested in the origin, naturalness or functionality for delicate skin. In addition, shared news about the products winning awards emphasizes the quality of the products and can affect positively on brand awareness. (Facebook 2019c; Instagram 2019c)

Utilizing social media and advertising the brand through social media channels have been important in enhancing brand awareness for the Company B. Marketing has been conducted with both firm-generated and user-generated content but the emphasis has been on minimalistic and high quality branded content and insightful descriptions instead of the content created by consumers. Displaying products in simple settings without showing off with claims but rather describing the ingredients and functionality is making the brand more approachable. It can be seen that Entrepreneur B believes that organic search can offer a way to increase website traffic more effectively. However not being present on social media is out of the question since it offers a way to reach their target group and increase brand awareness cost-efficiently.

Both of the case companies have utilized social media as an essential channel to raise brand awareness since their brands were launched. The advantages of social media

marketing have been recognized as it seen as a cost-efficient way to reach a wide range of consumers supporting findings of Nisar and Whitehead (2016) and Basri and Siam (2017). The measurability, traceability and detailed optimization of marketing practices, the ability to test different kind of branded content effortlessly and the possibility follow which paths the consumer has taken online have been important factors that endorse the use of social media marketing. Social media has been thus utilized as a marketing channel and both firm-generated and user-generated content is availed in the process by the case companies. Both of the companies avail branded content to make consumers aware of their brands by utilizing high quality pictures, associating the products with features that are important to their brands and thus dissociating them from competitors.

Whereas Company A has invested a lot of time and effort to learn about their best working method, paid social media marketing, to gain brand awareness, including campaign creation, targeting and optimizing, Company B has taken more moderate approach and focuses also on optimizing organic search in order to avoid increasing paid social media marketing costs. It can be seen that Company A has been utilizing social media more comprehensively to raise brand awareness as actions to gain more followers have been carried out and interactive features of social media have been availed. Company A's brand and products have been on the market for a longer time, which may have lead to that more extensive efforts have been able to be taken in order to increase brand awareness even further. Company A has experimented multiple methods and found that social media can be used not only as a marketing channel but also a platform to build community and enhance interactivity. Then again, after launching its products less than two years, Company B has started using social media as a marketing channel to raise brand awareness. Different perspectives to the use of social media can be therefore taken to be able to find which efforts work best for the brand for enhancing its awareness.

#### **4.6 Building brand image with social media**

Working towards decreasing the difference between the aimed brand identity and the perceived brand image is important if the desire is to make the brand coherent inside out (Mindrut et al. 2015). Therefore, the next step in the formed brand building process is building brand image. Social media marketing can be not only a valuable and cost-effective tool to build brand image (Godey et al. 2016), but also capable of developing that image to become positive (Bruhn et al. 2012). Since consumers' online interactions are

developing the brand image, it is beneficial to follow how consumers are responding to the brand related content (Alam & Khan 2019). Both of the case companies have found that social media can be utilized to develop brand image and therefore it has had an important role in as an image-building tool (Entrepreneur A; Entrepreneur B).

In Company A's case, diligent marketing, persistent use of social media and deliberation of what we want to be as a brand have led to that the brand identity and brand image are similar according to the entrepreneur. Even though the brand image is still not as clear in the minds of consumers' as desired and crystalizing the brand's core message is still a work in progress, this goal has been partly accomplished. For example, Company A has been aiming to use Instagram as an inspirational display to showcase their brand. The desire and intention is to develop and refine Instagram feed to be an interesting page that arouses positive feelings with its lovely photos and good-looking products. Entrepreneur A sees that visual appearance is extremely important on social media and pictures have to be good looking, high quality and interesting. The visual appearance shows if the brand page, and thus the brand, is professional and appealing. (Entrepreneur A) These findings support Virtanen et al.'s (2017) discovery that visually dominant Instagram can be used to present visual storytelling.

*“It is right away when you stroll brands on Instagram whether you had heard about it or not that you can see right way is this professional, is this interesting or is it something that someone has taken a picture from their couch and the exposure and adjustments are awry so already that profiles strongly that company or brand and how quality and visually executed those pictures are there and all the material videos including so that is for sure a big factor.” – Entrepreneur A*

By observing Company A's brand page on Instagram it can be noticed that a lot of effort has been spend to build a coherent image of the brand. High quality pictures as branded content are showing the main elements of the brand, nature, natural materials and stylish accessorizes that can be used in the city as well as during the adventures in nature. Nature pictures that have been mainly taken in Finland and published according to the current season are showcasing where the brand is coming from and highlighting the importance of enjoying nature. People wearing the brands accessorizes in different places are illustrating that the products can be used anywhere. Finally, product pictures that often contain a natural element and some facts about the products are demonstrating the connection between the product and the material used. By looking at the brand's Instagram feed, the consumer could get a brief overview what it presents. (Instagram

2019b) Firm-generated marketing content that is emphasizing the element of the brand is therefore enhancing the creation of brand image that is similar to the brand identity. In addition, the company has created a video and a written narrative of their brand story that has been published on their social media channels (Facebook 2019b; Instagram 2019b). By showcasing how and why the brand was created by the three founders, Company A is making the brand more human with an own history, which might enhance the brand image in the minds of consumers. Storytelling has been recognized as a way to bring a brand to life and provide brand meaning (Singh & Sonnenburg 2012).

Encouraging customers to share their thoughts can be seen as a good image-building tool. Entrepreneur A believes that these objective reviews and customer experiences shared through consumers' own channels are the best publicity for the brand. (Entrepreneur A) Bruhn et al. (2012) and Alam and Khan (2019) have found that user-generated content and communication have especially an impact to hedonic brand image. In addition, user-generated communication has indeed been seen as a more objective, credible and authentic evaluation of the brand (Bruhn et al. 2012). Some of the customer reviews have been published on the Company A's brand page and saved in the highlights on Instagram to provide these customer reviews to form a better image of the brand (Instagram 2019b).

Working towards coherent brand identity and brand image has been an important step in the brand building process for Company A. Efforts have been made both internally and externally to achieve better view of the brand and clearer brand image. Using social media as a marketing channel and to publish branded content that is showcasing the brand and its values especially on Instagram feed have been essential methods in the process. In addition a brand story has been created to illustrate the brand identity and its values. Providing brand pages where opinions can be shared, encouraging consumers to share feedback about the products on social media, and publishing these have been supporting the building process of the brand image.

According to the founder of Company B, their brand identity and brand image are aligned. Company B tested the brand and the main brand messages in an early phase with the customer study and investigated how they are being understood by consumers. Afterwards, the brand communication on social media has been coherent and adjustments are being made to the brand messages regularly. Furthermore, Company B has utilized Instagram feed, that means firm-generated content published on the brand page, to build a brand image. The brand's core values have been important factors and

influencers in the brand image building process on more inspirational channel Instagram. Investing in beautiful pictures and publishing photos from the laboratory have been essential for showcasing the brand's strengths. The entity is important and the founder desires that the consumer will be positively surprised even though the Instagram feed has to meet the requirements. (Entrepreneur B)

*“Our person in charge of the communication has a pretty clear view of that what she wants it [Instagram feed] to look like so it is and is also connected to brand personality so it can't be too like fifi but quite like straightforward. But so from the visual angle there's variation so there's a solid color or some quote and then there's nature pictures and product pictures so all those blocks from which the brand is build.” – Entrepreneur B*

The brand's Instagram feed is indeed build with high quality photos that are showcasing the different brand elements. The feed consist of simple product pictures, pictures of nature and natural ingredients used, photos from the laboratory, tips how to take care of your skin and how the products can be used, quotes, insightful captions that are going into details about the products and ingredients, and pictures and stories about inspirational people and about the people behind the brand. Describing comprehensively about the features of the products and their ingredients and sharing laboratory photos give consumers a better view of the brand as a transparent and product-driven brand. In addition, highlighting the people behind the brand and telling their stories might make the brand more human and show the passion behind it. The simple settings in the photos, nature pictures and quotes emphasize the brand's fuss free and more natural approach to skincare. The story behind the brand is availed and shared on social media, which might provide deeper meaning for the brand as Singh and Sonnenburg (2012) have found. In addition, consumers are encouraged to read more about the brand story, the different ingredients used, skincare tips, the partners of the brand and the current news on their blog. (Instagram 2019c) Comprehensive information about the brand is therefore available for consumers that are interested in knowing more.

It can be observed that consumer reviews have been shared on the brand pages on social media in addition to user-generated content that is highlighting the products that customers have purchased (Facebook 2019c; Instagram 2019c). Furthermore, the company has shared links on their Facebook page to blog posts of bloggers that have written in more detail about their experiences and reviewing the brand's products (Facebook 2019c). These objective consumer reviews and shared user-generated content provide more credibility to the brand (Bruhn et al. 2012), and might further enhance the

brand image. It can be seen beneficial to pay attention to the customer feedback as it can be used as beneficial information how the brand or its products are perceived by the consumers (Kim et al. 2015; Hajli et al. 2017; Yadav & Rahman 2017).

As Company B conducted a consumer study that was followed by consistent brand communication on social media, both of the case companies have made efforts to form a brand image that would be aligned with the brand identity on social media. The case companies have made similar efforts on social media to align their brand identity with their brand image. Especially Instagram feed and the branded content it includes has been seen as a valuable tool to improve brand image. The visual elements of the brand communication have been essential, and both companies have invested in high quality photos that are illustrating the different brand elements in order to form clearer picture of the brand and its values in the minds of consumers. In addition, both brands have availed their founding stories to show their paths and provide meaning for their brands. Even though both companies have emphasized brand stories, only Company B has highlighted the people behind the brand by posting brand related content and creating blog posts. Customer reviews have been used to present more objective opinions and evaluations of the brand to further strengthen the image of the case companies' brands. Social media has been therefore an important platform to enhance the brand image as it offers multiple methods to make efforts to align the brand image and the brand identity for the case companies.

#### **4.7 Creating brand equity with social media**

After creating a brand, gaining brand awareness, achieving perceived quality and positive brand associations, creating brand equity with advancing brand loyalty and customer relationships is the next step in the building process of a strong brand (Aaker 2010). Even though the case companies have quite recently launched their brands, both of them have taken some actions to strengthen consumer relationships on social media. For example, user-generated content has been availed as mentioned, which has been noticed by Geurin and Burch (2017) to lead to better relationships with the customers and enhanced control over brand messages. Encouraging consumers to engage with the brand instead of using social media as a one-way marketing channel has been an important way to nurture relationships with the consumers and community members (Entrepreneur A; Entrepreneur B). In addition, it can be noticed that both of the companies are commenting

and liking branded content published by consumers on social media, which are found to be actions to enhance relationships with them by Virtanen et al. (2017).

Company B is enhancing consumers' interaction with the brand with simple questions in the captions like which products consumers prefer (Entrepreneur B). It can be observed that Company B is also encouraging consumers to ask questions about skincare and their head of research and development is answering to these on Facebook and Instagram stories (Facebook 2019c; Instagram 2019c). Encouraging interaction between other consumers and the brand can be improving consumer engagement (Barreda et al. 2015). In addition, Company B receives and answers to messages from consumers especially through Facebook since they utilize a function that allows consumers to send them messages effortlessly (Entrepreneur B). This kind of informal and personal two-way communication has been found to foster consumer-brand relationships (Davis et al. 2014; Gao & Feng 2016). Due to the feedback, the production methods of one product was changed since it was too hard according to the consumers and announced that the feedback was listened and alterations were made when the new version of the product was launched (Entrepreneur B). In this way, consumers might feel a sense of belonging when their voices are being heard in the development processes (Geurin & Burch 2017).

Community building and engaging consumers to interact on their brand page have been goals for Company A. This year they have began to do collaborations with even bigger influencers to host competitions and engage consumers in order to activate followers to comment and participate in the interaction. Company A does not want that the use of social media would be only one-way communication but two-way interaction, which would make the brand page more interesting to follow. (Entrepreneur A) In addition, observation reveals that being a part of the brand's community by posting pictures with the brand's hash tag can be seen as a way to build community spirit, which can be valuable since researchers have found that consumers' relationship with the brand is likely to become stronger when the consumer is engaging with the brand on social media (Laroche et al. 2012; Luo et al. 2015; Hudson et al. 2016).

#### **4.8 Requirements and challenges of brand building and social media in new businesses**

Brand building process has naturally required investments and resources from both companies. Brand building has been seen as a continuous effort that has posed challenges along the way. Finding the core of the brand and testing methods to discover the ones that work for the created brand are essential if the company wishes to succeed on the highly competitive market where new businesses and brands are emerging constantly. Since social media has had an important role in the process, entrepreneurs believe that it continues to be necessary tool for the companies in the future as well. (Entrepreneur A; Entrepreneur B)

In the Company A's case human resources were having an important role in the brand building process. As the founders were doing everything themselves, it required a lot of learning and challenging. Trying to find the right focus took some time when the brand was build from nothing without prior experience. Limited financial resources restricted the company from investing in sizable marketing activities and obliged to build the brand step by step. Learning social media marketing firsthand and being active have led to the growth that the Company A has achieved. Carried out hands-on actions, know-how and courage have made the difference when advancing growth and raising awareness. (Entrepreneur A)

*“It has required a lot of studying and questioning things, so for sure if now we would start to create another brand, it could be done much more efficiently and do the right things and with control take things towards the right direction but when it was started from nothing so there wasn't straight away that right focus but a lot has been learned along the way and the aim is to all the time educate ourselves, develop and challenge so we can build better [their brand] for tomorrow, so that's an endless road, there's always room for improvements and developments.” – Entrepreneur A*

Building a brand has posed challenges for Company A, as it is demanding to build a coherent entity and plan the communication around it. Brand building is an on-going process that continues after the creation of the brand. Even though Company A's brand is build based on the entrepreneurs' values, it has started to live as its own person whereupon its identity is also forming and developing free from the entrepreneurs. (Entrepreneur A)

*“Perhaps it is just that what the brand should be so crystalizing the meaning and core message and how it will be communicated and with what money and through which channels and with what kind of visual means so harmonizing the whole palette and understanding it so that it can be turned to that kind of process that can be managed and*

*developed. So it is still, it is never ready, but indeed we have went forward and in the near future hopefully we are going big steps forward again concerning that.” – Entrepreneur A*

One of the challenges of social media that Entrepreneur A mentions is that since it is fairly effortless to advertise through social media, it has brought a lot of competition to those platforms. Basically anyone can build a brand and start a business. The prices for advertising are increasing when many companies are moving their advertising on social media and competing the ad space of the same target audiences. However, he sees that the competition can be overcome with good content, great campaigns and well-optimized ads for the right target audience, which makes social media marketing a valuable and cost-efficient marketing tool. It is necessary to find the unique feature that can be emphasized to stand out from the competitors. Nowadays also the amount of ads on social media, that was created to communicate with your friends and family rather than as a marketing platform (Fournier & Avery 2011), has been increasing. It is left to be seen when consumers will become disgusted with all the ads they are seeing on social media on daily basis and whether they remember the ads they have seen when the amount of ads becomes overwhelming. (Entrepreneur A)

In the future when the business is growing, Entrepreneur A sees the benefits of adding traditional marketing like print ads or television ads to their marketing mix in order to achieve multichannel advantages. He believes that it increases credibility of the brand when ads can be seen not only on social media but also in traditional channels. However social media's role as a most important marketing channel will hold in the future. The entrepreneur mentions that social media is also useful considering their goal to internationalize as it offers a way to try marketing and gain awareness and site visitors with small efforts. (Entrepreneur A)

Entrepreneur B highlights that building a brand is an investment that requires financial assets and patience. Knowing what you want to do and what you can bring to the table are beneficial when building a brand. As a branding agency was hired to assist in the brand building process and the founder had a clear view of the brand, which were covering the human resources needed, the main resources required were time and money. Entrepreneur B also mentions that brand building demands continuous effort. Encapsulating the brand to more coherent entity requires evaluating regularly whether the brand still represents what is said it to represent and if the elements can be defined even more precisely. Returning to the brand personality is highly important throughout the process in order to avoid meandering when more people join to the brand building

process. Being true to the brand values is essential when the brand develops and more demands are raised towards the brand. The brand and its values are also in a central role when it comes to decision-making in the company. When important alignments are made they have to be endorsed by core brand values. (Entrepreneur B)

According to Entrepreneur B, one challenge with social media is that it is not seen as prestige as print media. However the entrepreneur sees it as a good thing that people have gotten more cautious and critical of what they read online since a lot of false information about skincare has been published. By testing different methods, it is possible to find what measures work for each brand on social media. The courage to keeping on testing is highly important in order to find out what the consumers prefer. Even though, being true to the brand is essential, changes have to be made if the brand response is not positive. For example changing pictures of the landing page or testing different content on social media are cost-efficient ways to evaluate the consumer responses. Entrepreneur B mentions that they have worked with multiple consultants to find methods that work for them. She sees that using external specialists when similar expertise is not found internally is beneficial to get external evaluation whether the company is doing and measuring the right things. (Entrepreneur B)

Entrepreneur B is confident that social media is an important part of especially increasing their brand awareness in the future as well. Even though there is a lot of potential to sell cosmetics online, it is still important for the consumers go try the product at a store after getting to know the brand on social media. Then perhaps the first purchase will be done at the store and after this first successful try, products can be bought online in the future. Company B has found beneficial to add the possibility to click an Instagram picture and purchase the product directly from the web shop. All in all, social media has offered the way to be seen as a small business, which makes it beneficial marketing and branding tool. (Entrepreneur B)

*“Well the possibility to be seen if you compare 15 years ago, thus there’s probably so many small businesses or a lot of those are coming up and cosmetics brands especially, because just 15-10 years ago if you didn’t have money to buy that Forum’s one side then that was it, you didn’t get any of that visibility, and on the other hand now you are competing with everyone but despite of that it is in my opinion the biggest possibility and benefit is that you can get that visibility.” – Entrepreneur B*

#### **4.9 Conclusions of the brand building process and the use of social media in new businesses**

By concluding the empirical findings, it can be said that social media has been proven to be an essential tool for the case companies in their brand building process and it has been availed in multiple ways along the way. The brand creation process is hectic for these new businesses since the brand and company are build from scratch by the entrepreneurs, resources are limited, multiple decisions have to be made without previous know-how and defining the brand and finding the focus are challenging and continuous tasks. It is important that the entrepreneurs have the commitment to go through the brand building process as the decisions and efforts they make are determining how the brand will look like. Focusing on just one brand has been seen as the preferred choice for the case companies since the values are connecting the brand and the corporation and separating product brand and corporate brand is insignificant.

The brand identity is highly connected to the entrepreneur's identity, as the brand is based on the founders' values. The creation of brand identity can be completely different process depending on the company. Brand identity can be build with care by investing in external specialists and consumer research or by learning, developing and correcting along the way after an agile start. Breaking down the specific steps to be taken to create the brand is impossible as it is a complex, constantly evolving process. Even though social media did not gain an important role in the internal brand creation process, it can be utilized even before the brand is launched by benchmarking competitors and planning the brand's social media presence. Afterwards, brand identity can be developed according to the consumer responses and feedback gained through social media.

Social media was proven to be the most valuable tool in increasing brand awareness after the brand was launched. Multiple methods can be availed to increase the awareness of the brand but in the beginning the most crucial one is to use social media as a marketing and advertising channel by posting both firm- and user-generated content. The use of compelling, high quality content that is emphasizing unique features of the brands and products is essential. Brand awareness can be further enhanced by using social media as a platform to build community and enhance interactivity. Both of the case companies have made efforts to decrease the gap between brand identity and brand image and acknowledged the fact that these aspects need to be aligned. Social media has served as

a platform to showcase the brand with appealing visual aspects and descriptive captions that are forming a better image of the brand in the consumers' minds. Highlighting the brand stories on social media has been an important way to show the heritage of the brand with illustrative descriptions. Brand image can be further enhanced by showing more trustworthy peer reviews. Furthermore brand equity can be gained with building brand communities, engaging with consumers and using two-way communication.

## 5. DISCUSSION AND CONCLUSIONS

The final chapter of this thesis focuses on concluding the research, responding to the formed research questions, summarizing theoretical and empirical findings and providing theoretical and managerial implications. In addition, limitations of the research will be discussed to enhance the quality of this thesis and to consider the generalization of the findings. Finally, recommendations of further research will be provided to address issues that were not covered in this thesis due to its limitations and to support research required to gain further knowledge about branding in the social media age.

The aim of this thesis was to identify brand building strategies that have enabled new businesses to build their brand and to enhance brand awareness, and to discover how social media can be availed throughout the brand building process in new businesses. By examining previous literature, it was found that even though brand building and the use of social media have been gaining researchers attention, new businesses that are building their brand from scratch and utilizing social media from inception have not been in the focus of many researchers and thus further research is needed. As new businesses have not developed their internal structures and processes in the early phases, they provide a unique context to research branding (Rode & Vallaster 2005). Furthermore, these SMEs are crucial part of Europe's economy (European Commission 2019). To be able expand understanding of brand building process and the use of social media among new businesses, qualitative research was chosen as a research methodology for the thesis. In addition, abductive approach was selected as a research process.

In order to advance knowledge on brand building and the use of social media in the brand building process in new businesses, it was required to examine previous literature to form strong theoretical base for this research. Both startup and SME branding literature was utilized with the aim of discovering special features that might affect the brand building process of new businesses that are starting to build their brand from the very beginning. By researching the previous literature and special features of startup and SME brand building, conclusions of brand building were drawn and a model of brand building process for new businesses was illustrated and presented in the Figure 5. According to the model based on previous research, brand building begins with committing to the brand building process, selecting branding strategy and creating brand identity before enhancing brand awareness, building brand image and developing brand equity.

After forming a clear view of the brand building process based on previous research, the changes that the rise of social media platforms have brought to branding were presented. It was found that social media could be utilized in many ways as a marketing channel, as an enabler of two-way communication with consumers, as an interactive platform for consumer engagement, as a platform for building brand communities and as a facilitator of co-creating a brand. This deliberation was followed by an analysis of how social media can be availed throughout the brand building process presented in the Figure 5. In this manner the theoretical base was able to connect literature of brand building and social media together to form a strong theoretical base for this thesis.

Following the investigation of the research topics by looking into the previous literature, methodology and case description of this thesis were described in more detail. From the qualitative research methods a multi-case study was selected, which is supported by many SME and startup researchers in the field of brand building (Rode & Vallaster 2005; Ojasalo et al. 2008; Bresciani & Eppler 2010; Juntunen et al. 2010; Centeno et al. 2013; Latiff & Safiee 2015). Two case companies were selected purposefully by following composed sampling criteria. Semi-structured in-depth research interviews were chosen as the main data collection method to be able to collect rich data and learn about the viewpoint of others (Qu & Dumay 2011). The current CEOs and founders of the case companies were selected to be informants by utilizing elite sampling (Tuomi & Sarajärvi 2002). In addition, observation was chosen as the supporting data collection method to enable more valid empirical data. From the data analysis methods combination of within-case analysis and cross-case comparison was selected. Reliability and validity aspects of the research were addressed to improve the quality of this thesis. Finally the selected case companies were introduced before continuing to the empirical part of the thesis.

Analysis of the collected empirical data and introduction of empirical findings was followed. The data collected from case companies by conducting in-depth interviews of the entrepreneurs and observing the efforts case companies made on social media was analyzed and case companies' actions were compared. It was found that brand building process in new companies can be turbulent learning process that requires a lot of effort and specific phases cannot be separated effortlessly as brand building is seen as a continuous process. After creating the brand internally, the role of social media is crucial especially in enhancing brand awareness and social media offers multiple opportunities to support brand building and to grow new businesses by increasing their visibility.

## 5.1 Theoretical implications

Profound literature review and empirical findings have enabled to address the formed research questions and to provide theoretical implications. The first supporting research question focused on the brand building, how brand building process is constructed, and how new businesses are utilizing it. Multiple models for building a brand were found by examining the previous research. Therefore, by availing previous literature the theoretical brand building process was described and illustrated in the Figure 5, which answers to the first part of this supporting research question. Brand building process starts with the commitment to build a brand (Krake 2005; Centeno et al. 2013), and the process can be launched already before the company is founded (Juntunen et al. 2010; Juntunen 2012). As the entrepreneur has the main role in the decision process (Berthon et al. 2008), he/she can take this conscious decision and start the process. The second step is defining of the branding strategy, which was proposed by Bresciani and Eppler (2010), as a brand can be created for a product, for a service or for a corporation (Aaker 2004; Kotler & Keller 2012). It has been found that new businesses have often limited resources (Abimbola 2001; Boyle 2003; Krake 2005; Rode & Vallaster 2005; Berthon et al. 2008; Juntunen 2012; Centeno et al. 2013), and therefore focusing on a corporate brand or one strong product brand is recommended in the beginning (Abimbola 2001).

The third step is to create identity for the brand, which is highly important step in the brand building process (Joachimsthaler & Aaker 1997; Keller 2001; Keller 2009; Aaker 2010; Kotler & Keller 2012). Brand identity presents the brand from the brand owner's viewpoint (Joachimsthaler & Aaker 1997) and builds the meaning for the brand (Aaker 2010). In order to build brand identity that has enough depth and texture, several perspectives should be considered (Aaker 2010). Created brand values might be affected by the entrepreneur's own values and the created identity might be similar to owner-manager's identity (Juntunen et al. 2010). Fourth step is to enhance brand awareness that is simply making consumers aware of the brand (Bacik et al. 2018). Improving brand awareness with brand messages and introducing the brand to the consumers is highly important if the new brand wishes to gain visibility (Keller 2001; Ghodeswar 2008; Keller 2009), and thus overcome the liability of newness (Witt & Rode 2005).

The fifth step is building brand image that presents consumers' perceptions of the brand (Keller 2009). Brand image starts to form in the minds of consumers and the company has

to evaluate whether the right brand image has been achieved concerning the brand identity and the quality of the product or service (Keller 2001; Keller 2009; Aaker 2010; Mindrut et al. 2015). If the brand image differs significantly from the brand identity that has been created, it is recommended to do adjustments to the components of the brand identity (Mindrut et al. 2015). The sixth step is developing brand equity that is formed by four dominant assets: brand awareness, brand loyalty, perceived quality and brand associations (Aaker 2010).

The second part of the first supporting research questions can be addressed by looking into the empirical findings of the actual brand building process of new businesses. It has been found that even though the brand building process has included the most of the steps theoretical model presented, new businesses are not building their brands with a simple linear process. Brand building process is not advancing to the next step once the previous step has been completed but it is rather a continuous, interactive process that requires a lot of learning, adaptations and adjustments. New businesses are utilizing the brand building process by starting it with the entrepreneurs' conscious effort to build a brand and commit to the process, which supports the theoretical model and Krake's (2005) and Centeno et al.'s (2013) findings. However the findings did not directly support the finding that the brand building process would start before the establishment of the company suggested by Juntunen et al. (2010) and Juntunen (2012), even though the brand elements might have been developing in the minds of the entrepreneurs without acknowledging them before the company had been actually founded.

Defining branding strategy like the theoretical model suggested was not found be significant for the new businesses as a distinction between a product brand and a corporate brand was found to be unnecessary. This result supports Ojasalo et al. (2008) findings that making a distinction between product branding and corporate branding among software SMEs is irrelevant as these elements are often inseparable. Empirical findings suggest that focusing on one brand in the beginning is valuable since brand building requires a lot of investments and resources that new businesses do not often have (Abimbola 2001; Boyle 2003; Krake 2005; Rode & Vallaster 2005; Berthon et al. 2008; Juntunen 2012; Centeno et al. 2013), which follows Abimbola's (2001) proposition. Empirical results show that the brand identity can be created in a manner that the entrepreneur chooses whether it is a progressing learning process or an explicit development process. Brand identity of a new business is closely related to the entrepreneur, which supports the research conducted by Juntunen et al. (2010). Shared values, similar identities and even identical personalities between the brand and

entrepreneur were found. This can be explained by findings that the entrepreneur is in a central role when creating brand identity (Krake 2005; Centeno et al. 2013), and is usually developing the company most actively (Juntunen et al. 2010). The entrepreneurs have the key role in the decision-making process, which has been highlighted by Berthon et al. (2008).

Building brand awareness was found to be apparent next step after the brand and products were launched. Empirical findings suggest that the importance of enhancing brand awareness and gaining visibility is essential, which again follows the previous research (Keller 2001; Witt & Rode 2005; Ghodeswar 2008; Keller 2009). In addition, the results imply that the entrepreneurs of new businesses are considering the difference between brand identity and brand image, and efforts to align these have been taken. As Mindrut et al. (2015) recommend if the brand image differs from the brand identity, adjustments need to be made. Lastly, attempts to build brand equity have been recognized. Since all of the steps apart from defining branding strategy have been taken and the actual process has not been as straightforward as it was showed in the theoretical brand building process in the Figure 5, a revised version of the brand building process of new businesses is needed and thus presented in the Figure 6. Continuous efforts to test and improve the brand, react to the possible customer responses and reflect what elements the brand still stands for to be able to define the brand even clearer in the minds of both consumers and entrepreneurs are important factors throughout the process.



Figure 6. Revised brand building process of new businesses.

The second supporting research question seeks answer to what is the role of brand awareness in the brand building process and how it supports this process. The previous literature has been acknowledging the essential role of brand awareness in the brand building process. It has been recognized that one of the most important goals for a marketer is to build a strong brand awareness since it sets the brand's foundation to build other brand elements on (Barreda et al. 2015). Making consumers aware of the brand is thus a crucial step in the brand building process (Bacik et al. 2018). If the consumers are not able to recognize or recall a brand, brand salience cannot be created and therefore the right brand identity cannot be achieved (Keller 2001; Keller 2009). Brand awareness and brand image are important components of brand knowledge that is representing all the thoughts, images and impressions that will be connected to the brand in the customers' minds (Keller 2009). Furthermore, brand awareness is one of the dominant assets of valuable brand equity (Aaker 2010).

The empirical findings support the theoretical findings concerning the role of brand awareness. New businesses have been putting an emphasis on getting known in the market and enhancing brand awareness has been a crucial step in the brand building process after launching the brand. Especially for a new business, the liability of newness is a common struggle in the early stages of development that needs to be overcome (Witt & Rode 2005). Since familiar brands are naturally preferred, positive feelings toward a brand can be arising just by recognizing it, which is highlighting the importance of brand awareness (Joachimsthaler & Aaker 1997; Aaker 2010). Brand awareness has therefore earned a crucial role in the brand building process and supports the process by making consumers aware of the brand that has been created and its offerings (Barreda et al. 2015; Bacik et al. 2018).

The aim of the third supporting research question is to deepen knowledge on what methods can be utilized to increase brand awareness. The previous research has been found that enhancing brand recognition can be fundamentally done with anything that leads a consumer to pay attention to a brand (Keller 2009), but it cannot be achieved without a conscious effort (Krake 2005). However, improving brand recall requires building stronger brand links to the product group or to consumer needs since a consumer has to be able to think of the brand when its product class is mentioned (Keller 2009; Aaker 2010). It has been recognized that one way to improve both brand recall and recognition is to utilize brand stories (Singh & Sonnenburg 2012). In addition, word of mouth increases brand awareness and should be enhanced (Barreda et al. 2015).

Enhancing brand awareness can be achieved by utilizing social media according to the researchers (Ashley & Tuten 2015; Barreda et al. 2015; Momany & Alshboul 2016; Phua et al. 2017). Advertising and marketing the brand through social media can be conducted by utilizing firm-generated or user-generated content (Alam & Khan 2019). Furthermore, published branded content provides shareable content for consumers, which enhances the development of brand awareness (Ashley & Tuten 2015). With user-generated branding, the company can enhance the creation of user-generated branded content and increase brand awareness further (Geurin & Burch 2017). In addition, companies can collaborate with celebrities to make their marketing campaigns go viral and their brand more visible (Bianchi & Andrews 2015). Encouraging consumers to engage and enhance word of mouth communication provides another method to gain brand awareness (Ashley & Tuten 2015). Creating an online community (Basri & Siam 2017), and following other users on social media can improve brand awareness as well (Virtanen et al. 2017).

Lastly, the main research question is: how to avail social media in brand building and increasing brand awareness as a new business in the B2C sector? This question can be addressed by looking into the empirical findings as two case companies that are new businesses operating in the B2C sector were selected, the entrepreneurs were interviewed and observations on social media were made. After committing to the process, social media can be benefited throughout the brand building process. Availing social media can be started with benchmarking competitors and planning the brand's social media presence. Looking into and getting inspired by the brands that are using social media remarkably can present a good starting point for the companies desiring to launch their brand on social media.

Availing social media to increase brand awareness can be conducted in multiple ways and different methods can be effortlessly tested to find the best ones for the specific company and brand. Social media presents an essential and cost-efficient tool for new businesses to build brand awareness after launching the brand. It can be availed as a marketing channel that utilizes both firm-generated and user-generated branded content suggested by Alam and Khan (2019) that can be shared among the consumers following Ashley and Tuten's findings (2015). Effective use of social media requires quality content that is representing the brand, its special features and its offerings in an appealing and interesting way to intrigue the consumer, which follows researchers' previous findings that marketing messages should be well-created and content should be high in quality (Barreda et al. 2015; Godey et al. 2016; Basri & Siam 2017). Efficiency of paid marketing

on social media can be enhanced by learning about campaign creation, targeting, optimization and finding the best methods considering the company's target audience.

Social media can be availed to increasing brand awareness by utilizing it as an interactive platform. Encouraging consumers to share branded content that enables them to introduce the brand to their social networks can enhance brand awareness even further organically. This kind of word of mouth can lead to greater brand awareness and influence consumers' intention give the brand a try (Barreda et al. 2015). In addition, social media can be availed by building a brand community and gaining more followers to the brand page. It is important to notice that popular brands are being followed on social media easier than unpopular ones (Virtanen et al. 2017), and therefore efforts to gain followers and to build brand community can lead to enhanced brand awareness and additional exposure (Basri & Siam 2017). One way to increase the amount of followers is to cooperate with another brand that shares similarities with the brand but reaches wider or different audience and conduct co-branding activities on social media.

In the further phases of brand building, social media can be availed in various ways. When it comes to image of the brand, social media offers a valuable and cost-effective tool to build positive brand image (Bruhn et al. 2012; Godey et al. 2016). Social media can be availed as a visual platform to form and showcase a clearer image of the brand. Creating interesting brand pages with content that manifest the brand, its values and elements visually and coherently with professional and high quality pictures has been found beneficial. Utilizing brand stories that have been described and illustrated on social media deepens the view of the brand and its history. Furthermore, Singh and Sonnenburg (2012) have suggested using storytelling as a way to bring a brand to life and provide brand meaning. Empirical results also indicate that encouraging consumers to share their thoughts on social media presents a valuable way to gain credible publicity and develop brand image. In addition, reposting blog posts that contain reviews of the brand can be benefited. In addition, researchers have found that user-generated content has an influence to hedonic brand image (Bruhn et al. 2012; Alam & Khan 2019), and user-generated communication is seen as a more objective, credible and authentic evaluation of the brand (Bruhn et al. 2012). Thus paying attention to the feedback provided by the consumers can inform the company about how the brand or its products are perceived in the market (Kim et al. 2015; Hajli et al. 2017; Yadav & Rahman 2017).

Strengthening consumer relationships and loyalty can be advanced on social media in order to enhance brand equity (Aaker 2010). User-generated content on social media can

be availed to this process as well since Geurin and Burch (2017) have noticed it to lead to better relationships with the customers and enhanced control over brand messages. In addition, encouraging consumers to interact on social media can lead to engagement with the brand according to Barreda et al. (2015). Competitions and efforts to enhance engagement can be utilized to activate brand page followers to comment and participate in the interaction. Offering a way to send messages to the brand and answering to these personally is making two-way communication on social media effortless. Furthermore, informal and personal two-way communication has been found to foster consumer-brand relationships (Davis et al. 2014; Gao & Feng 2016). Noting consumer feedback through social media and making possible changes accordingly without compromising the core of the brand can be beneficial. Consumers might thus get a sense of belonging when their voices are being heard when the brand is being developed (Geurin & Burch 2017).

## **5.2 Managerial implications**

Managerial implications can be drawn from this research to support brand building process and availing social media especially among new businesses. As brand owners and entrepreneurs are building their brands in a competitive environment of social media, several guidelines can be presented to direct the brand building process according to the findings presented in this thesis.

Firstly, commit to the continuous brand building process. Brand owners or entrepreneurs should be prepared to engage to the brand building process and see it as an investment. Providing the consumers a coherent and clear of the entity will take time, resources and effort. Brand building is a continuous improvement and development process that is not complete once the brand is created as assessments and adjustments have to be made when the brand evolves. Secondly, avail the entrepreneurs' values and personalities when creating a brand since these make the brand unique. Benefit from those authentic features that can be brought into equation and provide a brand story that will make the brand meaningful. Every story is worth telling so do not hesitate to think that your brand's story is not special. This can bring a certain amount of depth to the brand and provide ways to communicate about the brand in a more purposeful way.

Thirdly, if you do not have human resources, expertise or willingness to learn a lot about branding, bring in external experts to aid in the brand building process in the beginning.

Learning about branding might take time but helps to understand and develop the brand in the long run when hands-on experience can be gained. However being highly involved and bringing own opinion and suggestions to the table when building the brand with external specialists can improve the learning process as well. Choose the strategy that works in your situation and test the brand in your target group before launching it if possible. Fourthly, benchmark your competitors on social media and learn from the ones who are using it brilliantly. This helps to position your brand among competitors, to plan how to differentiate and to create the image of the social media presence of your brand.

Fifthly, avail social media to enhance brand awareness. Use both firm-generated and user-generated content in marketing and encourage consumers to create branded content to advance word of mouth. Pay attention to the quality of the content and whether it is appealing among consumers. Do not be afraid to test multiple methods, content and targeting on social media in order to learn about the best practices that work for your brand. Begin to build brand community and gain followers for example by availing co-branding with a bigger brand to gain more visibility. Sixthly, build brand image on social media and learn about what is said about your brand. Customer feedback on social media is a valuable source of information that can be used to develop your brand and products. Keep an eye on the consistency of brand identity and brand image and make adjustments if needed. Create a picture of the brand by utilizing the visual aspects of social media and highlight what the brand stands for. Boost brand image building with consumer reviews and transparency. Seventhly, improve customer relationships and enhance brand loyalty on social media. Make an effort to interact with the consumers and engage with them actively. Two-communication and showing that customer feedback has been taken into account is beneficial. Finally, do not forget to keep in mind the personality and core identity of the brand when making decisions and adjustments to avoid controversy, and test whether the brand values and elements are still something your brand stands for regularly.

### **5.3 Limitations and future research**

The research has its own limitations that have to be addressed in order to improve the quality of this thesis. Firstly, the thesis focused on the brand building process and the use of social media in new businesses by availing previous research of startup and SME researchers. Even though brand building was examined also in a more general matter, the

findings cannot be generalized and applied in larger corporations, multi-nationals or firmly established organizations that have processes to build brands and manage integrated marketing communications already in place. In addition, since the empirical findings focused on new businesses that are still small in size, the findings cannot be generalized to medium sized enterprises even though SME literature was utilized.

Secondly, as this research applied only two case companies, limited generalization of the findings should be acknowledged. New businesses in the B2C sector might be completely different compared to presented cases as they were selected purposefully to offer rich data and to describe how social media can be capably applied in the brand building process. The case companies might be more advanced in their use of social media, which can provide valuable tips to other new businesses. However for some small and new companies from different industries than retail, the findings and guidelines provided can be insignificant.

Furthermore, as the main data collection method was in-depth interviews, the accuracy of the data and the interpretation of the data pose limitations. Only one interview per case company was conducted and current CEOs were used as informants. Therefore, the research might not have gained all the information possible, as the important data was trusted to be able to be collected during one interview session and by using only one informant. The findings are thus supported by the data the entrepreneurs were willing to give during the interview. However the accuracy of the data and its interpretation was enhanced by asking follow-up and clarification questions, recording the interviews and transferring the records into transcripts. In addition, observation was used to support the data collected through the interviews.

Due to the limitations of this thesis, further research of brand building and applying social media in new businesses is needed. The brand building process and the use of social media could be examined among a larger group of new businesses that could be operating in different industries to be able to compare findings and gain further knowledge. The use of a larger amount of case companies might result in more generalizable findings. In addition, taking into account the industry specific features might make findings more valid and comparable. Observing the first stages of brand building inside a new business and seeing how the processes develop and brand is being created might provide information that cannot be achieved through interviews. In this manner, the specific information that might have been forgotten after the hectic brand building process can be collected through observation and more accurate findings can be provided. In addition, conducting

a study of new businesses that are set to launch their brands on social media might offer valuable information. Comparing the different steps and procedures taken inside the companies, analyzing how well the brands are gaining awareness and growing their businesses after the launch and investigating how the strategies and tactics utilized affect the success of the brand on social media would be interesting. Furthermore, it would be fascinating to study how startup companies that have been able to expand their business in an expeditious speed through social media have availed social media and grown their business rapidly.

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## **APPENDICES**

### **Appendix 1. Interview questions**

#### **Background**

1. Tell about your company. How, when and why the company was established and what kind of organization you have?
2. Do you see your company as a startup company?
3. Where would you say that the company is today, and what is the future outlook of the company?
4. What are the mission, vision and values of the company?
5. Tell about the offerings and the target group of the company.

#### **Building a brand**

1. Did you start the brand building process consciously, and through which phases did you end up creating your brand?
2. Did the brand building process start already before the company was established and what was decided then?
3. Was it central to you to start building a coherent corporate brand or a product brand at first, or do these represent the same thing to you?
4. What were the goals for brand building? Why did you start building a brand?
5. What kind of processes and resources the brand building process required?
6. What are the values of your brand? How would you describe your brand's identity?
7. How important role the brand has in your company's operations?

8. What was the role of the entrepreneur/entrepreneurs in the brand building process? Do you feel that the company's values are similar to your own or to the entrepreneurs' values?
9. What role social media has had in the brand building process? During which phase of the brand building process was social media put to use and what were its impacts?
10. How have you availed social media in building your brand?
11. Do you utilize social media otherwise than to communicating with consumers?
12. What special features you had to take into account as a new company when you started to build a brand?
13. What challenges the brand building process has posed?
14. How do you measure the value of the brand?

### **Brand awareness**

1. How have you increased your brand awareness?
2. Which marketing communications channels do you use?
3. How and why the company has chosen social media as the channel to increase brand awareness?
4. What differences the company sees between social media and other marketing communications channels when increasing brand awareness?
5. What advantages and what disadvantages social media has presented as a channel to increase brand awareness?
6. How the company utilizes social media as a channel to increase brand awareness?
7. How social media has enabled to increase brand awareness?
8. Which methods are the best to increase brand awareness on social media?
9. Do you think that social media presents an important channel to increase brand awareness to the company in the future as well?

10. What possibilities social media has offered especially to new and small companies?

11. What recommendations would you give to other new businesses that are starting to build a brand and increase brand awareness with social media?

### **Brand image**

1. Do you think that your brand image, as the perception of the brand in the consumers' minds, is aligned with your brand identity, as what the brand represents from the brand owner's view?

2. How do you think that you have achieved this? What measures have you taken so that these would be coincided? How have you availed social media so that brand image and brand identity would be coincided?