AC40A8000 Bachelor's Thesis:

Developing a Service Brand through
Network Co- operation

Case: Aulanko brand project

Palvelubrändin kehittäminen verkostoyhteistyön kautta

Case: Aulanko brändiprojekti

Katri Kantola 0297650
# TABLE OF CONTENTS

1 INTRODUCTION ........................................................................................................ 1  
1.1 Research problem, objectives and outlining ...................................................... 2  
1.1.1 Objectives and problem .................................................................................. 2  
1.1.2 Outlining ......................................................................................................... 3  
1.2 Frame of reference ............................................................................................ 3  
1.3 Literature review and definitions ........................................................................ 4  
1.3.1 Important definitions ....................................................................................... 6  
1.4 Research method ............................................................................................... 8  

2 SERVICES BRANDING ........................................................................................... 9  
2.1 Definitions of a brand .......................................................................................... 9  
2.1.1 Brand as an umbrella ..................................................................................... 9  
2.1.2 Sub-brands ................................................................................................... 10  
2.2 Brand development ............................................................................................ 11  
2.2.1 Brand identity ............................................................................................... 11  
2.2.2 Brand revitalization ....................................................................................... 12  
2.2.3 Brand reinforcement ..................................................................................... 13  
2.3 Services branding ............................................................................................. 13  
2.3.1 Executing the service branding strategy ....................................................... 14  
2.3.2 Elements of a successful service brand ....................................................... 15  

3 SERVICE NETWORK CO-OPERATION ............................................................... 16  
3.1 Definitions of networks ...................................................................................... 16  
3.1.1 Interorganizational networks ......................................................................... 17  
3.2 Brand development in a service network ........................................................... 18  
3.2.1 Committing the employees ........................................................................... 18  
3.2.2 Communication ............................................................................................ 20  
3.3 Network co-operation in branding .................................................................... 21  
3.3.1 Differentiation ............................................................................................... 21  
3.3.2 Synergy and resources ................................................................................ 22  
3.3.3 Competitive advantages ............................................................................... 22  
3.4 Summary of the theory ...................................................................................... 23  

4 EMPIRICAL RESEARCH ......................................................................................... 24  
4.1 Interview results ............................................................................................... 25  
4.1.1 Aulanko brand project .................................................................................. 25  
4.1.2 Services branding ......................................................................................... 26  
4.1.3 Service network co-operation ....................................................................... 31  

5 CONCLUSIONS AND RECOMMENDATIONS ............................................... 36  
5.1 Conclusions ....................................................................................................... 37  
5.2 Suggestions for future research and limitations ................................................ 39  

REFERENCES .......................................................................................................... 40  

APPENDIXES  
Appendix 1: Focal-interview questions  
Appendix 2: Mini-interview questions
1 INTRODUCTION

One of the most significant trends in the field of marketing has been, for several years, brands and branding. Companies are anxious to separate themselves from their competitors in a unique and inimitable way; brands play an enormous role in achieving these objectives and are almost invariably considered to be the most effective way to attain a strong position in the market.

The trend in branding research, however, has been overwhelmingly associated with physical goods (de Chernatony & Dall'Olmo Riley 1999, p. 181) which has lead to numerous theories, strategies and concepts concerning before all product branding. Thus, the context of services branding is only a fragment of what the product branding represents. However, it can be observed that the trend is changing its direction towards service brands, as the service industry is evolving and growing rapidly, being one of the most remarkable fields in our, and many other countries’ economy. As customers’ expectations towards the quality of services grow continuously, service providers have to possess the ability to create unique service entities and guarantee invariable quality throughout every customer encounter in order to sustain the company image.

When considering branding and the process of improving service brands one relevant concept, networks, can be outlined. Through network co-operation, elusive competitive advantages can be attained; a unique, coherent image can be created and a strong leading brand and sub-brands can be constructed. The concept of networks related to services marketing is yet somewhat adolescent. Nevertheless, as a noticeable and an increasing amount of organizations operate through complex interactions in an unstable economy instead of pure dyadic relationships, networks are growing to be an abundant phenomenon concerning particularly the dimensions and advantages in marketing. One study also argues that an important recent development in the marketing literature has been the application of the network paradigm to the study of service provider relationships with customers (Deeter-Schmelz, Moberg & Morgan 2007, p.327).
The title of this research is “Developing a Service Brand through Network Co-operation”. Due to the fact, that there have been fewer studies, although increasing in the recent years, towards service brands compared to the extent of product brands, the focus of this research is based on service brands. Further, the concept and functions of network co-operation is viewed in this study as a tool in reviving and developing a service brand which once had a leader position, but has now been in oblivion for twenty years. Also, as has been previously mentioned in the text, brands and branding as well as networks are a trend, a phenomena that has achieved a great amount of interest among marketing researchers and it will undeniably continue to grow and intensify in future years. The knowledge on services branding can also be seen as a valuable asset to acquire when considering future career options in the field of marketing.

1.1 Research problem, objectives and outlining

1.1.1 Objectives and problem

This research examines network co-operation as a means in reviving and amplifying a service brand through a case example, Aulanko brand project, where the brand is seen as an umbrella for the organizations in the network. The aim of this research is thus to define the elements central to service brand development through network co-operation and to answer to the questions addressed below.

The main problem addressed in this paper is:

- What are the key elements in reviving and developing a service brand through network co-operation?

The sub-problems addressed in this paper are:

- What are the competitive advantages gained through network co-operation in brand development from the perspective of the entire network?
- How to commit the companies in a network into creating a unified brand?
- What challenges do the characteristics of services bring to branding?
1.1.2 Outlining

The emphasis of this study is on development of a service brand which is implemented through a network consisting of independent organizations. Although Aulanko is a Finnish travel-brand, the specific characteristics of Finnish culture, travel marketing and place branding are not taken into account. However, the distinctive characteristics of services brands and networks are carefully explored in order to attain a deeper understanding of their complex nature and how these two entities can be combined to create a coherent and revived brand image. Therefore, the branding process is not examined from the perspective of creating the brand from the very beginning, but from the viewpoint of brand revitalization. In addition, networks are viewed from an internal perspective; the importance of communication is explored and also what are the means of committing the organizations and moreover the employees to the collective objectives. Thus, a deeper analysis regarding the contexts of customers and competition are excluded from this study.

1.2 Frame of reference

This study concentrates on services branding by using a case example of Aulanko brand project, where the aim was throughout the project to improve the brand image of Aulanko Tourist center through a network of independent organizations. The factors relevant to this paper are therefore service brand development, which includes the elements related to brands and services, and network co-operation, which emphasizes the role of networks in branding and the possible benefits gained through it. These factors also formulate the theoretical entity of this paper. These elements are presented in picture 1.
1.3 Literature review and definitions

The field of brand research is exceptionally broad nowadays. However, the research has tended to focus more on products rather than services. The majority of studies concerning service brands (e.g. McDonald, de Chernatony & Harris 2001) underline the importance of understanding the nature of services and service branding referring to the fact that the services sector has become a dominant force in the economy of many Western countries. Studies are also made concerning the differences between product and service brands (e.g. Shivakumar 2008), where the challenge in service branding is addressed to be the intangibility of services; how to bring tangibility to something that cannot be physically present.

De Chernatony and Segal-Horn (2003) have taken the research further from the comparing studies by defining factors affecting successful service brands. They discovered that the very essential factors are focused position, consistency and values. It is apparent that products and services possess diverse characteristics and should thus be viewed separately when considering branding. Regardless, it has been pointed out by several researchers that the characteristics of services in particular pose rigorous challenges to marketers and might entail an adaptation of the branding and marketing
techniques usually employed for physical goods (de Chernatony & Dall’Olmo Riley 1999, p. 181).

When observing different service branding strategies in a network environment, and particularly within this study, the concept of umbrella branding can be adduced. One study concerning umbrella branding (Hakenes & Peitz 2007) gives an insight on what umbrella branding consists of and why it is effective. It is suggested in that study, that the main reason umbrella branding works is that consumers make inferences from the characteristics observed in one product or service to the characteristics of others. Hence, consumers can draw inferences from experience about the quality of a product sold under the same umbrella brand. Hakenes and Peitz (2007) further imply that umbrella branding can increase the scope of an organization, and through that the scope of an entire network, and give an incentive to provide high quality. Therefore, in this study, the functionality of an umbrella brand in a service network is examined.

In creating, sustaining and developing a service brand, the importance of employees, the company representatives, have been strongly pointed out in brand literature. It is in fact said that an organization’s two most valuable assets are its employees and its brands (Foligno 2008). For achieving long-term brand success, organizations need to comprehend that it is customer experience what matters – something that is determined by the assumptions and direct actions of employees (Ind 2003). Hence, all employees need to be familiar with the brand identity concept and be committed to truly live the brand internally and externally (Burmann & Zeplin 2005). Consequently, since service depends on the culture of an organization and the attitudes and training of its employees, it is more difficult to build and sustain successfully, but is more difficult to copy (de Chernatony & Segal-Horn 2003). The means of committing the people to the brand and the meaning of communication in a network appear to be key factors in brand development and are thus discussed in this study.

Although the problem with today’s body of network literature seems to be that it is fragmented and sometimes some pieces do not fit together (Ritter & Gemünden 2003), there is however findings that support the aspects described in this study. One study points out, that alliances with other organizations are becoming increasingly important in the strategies through which organizations attempt to secure competitive advantage
There are also some studies that emphasize the relevance of networks in service marketing and it has been suggested by Morgan, Deeter-Schmelz and Moberg (2007) that consumers’ perceptions of services co-produced by multiple providers can have important branding implications. Accordingly, the utility of a network and the possible advantages gained through it in developing a service brand are explored in this study.

1.3.1 Important definitions

Brand: Originally the word “brand” meant an iron stamp used red-hot to leave an indelible mark. This method was executed by early men stamping ownership of their livestock. This way they could address the true origin of their property. Nowadays, still emphasising the facet of origin, the primary use of the word “brand” has a commercial application which illustrates most of all the means of developing a unique, inimitable image of a certain product or a service. (Clifton & Simmons 2003, p.13)

The very fundamental definition of a brand is indifferent weather considering products or services. A brand, and moreover a powerful brand, can be defined as a name that means satisfaction, quality and value to the customer (Moorthi 2002, p. 260). According to an other, although relatively similar interpretation, a positive brand can be described as a name, symbol, design, or some combination of those, which identifies the “product” of a particular organization as having a sustainable differential advantage. “Differential advantage” means that customers have a significant reason to prefer a particular brand to competitors’ brands and “sustainable” means an advantage that is not easily copied by competitors. (Baker 1999, p. 365) Brands thus operate by generating and making more efficient the consumers' decisions, both in a positive or a negative way.

Clifton and Simmons (2003) suggest that brands are intrinsically striking and that their role is to create an indelible impression. Intrinsically striking means that the visual distinctiveness of a brand can be a combination of different features, where the name of the brand is accentuated to be to most important attribute as its use in language provides a universal reference point. In addition, Clifton and Simmons point out that the name of the brand is the one element that should never change as, in the end, the indelible impression is created through it.
Services: Zeithaml and Bitner (2003) define services as deeds, processes and performances. Furthermore, there are four generally accepted unique features of services: intangibility, inseparability of production and consumption, heterogeneity and perishability (de Chernatony & Dall’Olmo Riley 1999, p. 181). Thus the central difference between products and services can be defined to be that services tend to be more intangible, personalized and custom-made. What is also noticeable in services is that they can be transferred to the customer or the customer can be transferred to the service territory instead of just distributing the product to the consumer (Czinkota & Ronkainen 1995, p. 523).

De Chernatony and Dall’Olmo Riley (1999) attribute to the services’ characteristic of intangibility the apparent difficulty faced by consumers in evaluating service quality and in differentiating between competing brands. The perishability of services reflects the fact that unused capacity of services can not be stored for future use (Czinkota & Ronkainen 1995, p. 526) and that the service encounter often does not involve any transfer of ownership (de Chernatony & Dall’Olmo Riley 1999, p. 183). Inseparability of production and consumption means that the service is being frequently produced simultaneously that the customer is consuming it (Czinkota & Ronkainen 1995, p. 527). According to De Chernatony and Dall’Olmo Riley (1999), satisfaction with a service brand is thus influenced by the congruence between expected and perceived behaviour by players, making it more difficult to control service quality. The heterogeneity of services is a particularly demanding feature as it challenges the service providers’ efforts in satisfying customer expectations (Czinkota & Ronkainen 1995, p. 527). Each service experience is potentially unique and thus consistency may be difficult to achieve (de Chernatony & Dall’Olmo Riley 1999, p. 182). These characteristics described above are the underlying features in service branding and they entail challenges distinctive particularly to service brands.

Service network: The service network can be defined as two or more entities connected formally or informally which directly provide a range of resources and activities that create value and help customers solve short- or long-term problems (Morgan, Deeter-Schmelz & Moberg 2007, p. 373). According to Ritter and Gemündens’ research (2003, p. 693),
networks can be described in terms of actors, activities and resources which influence each other closely and also, networks can be seen as self-organizing systems where there is not necessarily a “leader”. The researchers also define four levels of actors in the networks, being the individual, a group or a team of individuals, the organization and finally a cluster of organizations. It is also noted that networks are shaped and influenced by government agencies, research and development institutions, educational institutions and industry associations (Basole & Rouse 2008, p. 55). Networks are thus complex forms of interaction and cooperation of several actors and furthermore, they are multi-levelled in forms of communication.

1.4 Research method

This study is executed through a qualitative research, as the aim is not to collect accurate statistical information, but to understand, interpret and make conclusions of the elements concerning service brand development. Qualitative research can be seen as a most suitable method for this study as the subject is carefully defined and specific, and thus a unique perspective is needed in order to attain results extensive enough.

The theoretical part of this paper is composed of marketing literature, relevant research articles and written information regarding the project. The empirical part is executed through an interview of the project manager of the Aulanko brand project and through smaller e-mail interviews of the key companies in the network. The justification to the fact that only one face-to-face interview is carried out in this study can be argued by the reality that the only person truly responsible for the branding strategy, its implementation and management during the project and in future years, is the project manager and thus only person capable to give accurate and comprehensive information. The smaller interviews provide the perspective of the organizations in the network. These particular organizations are interviewed due to their visibility and centrality in the brand project as well as in the operation of the network. Hence, these companies can provide a wider perspective than the less active ones from the implementation and execution of the brand development process.
The focal interview is half-structured; the questions are complete but the interviewee answers in her own words. The aim of the interview is to achieve answers and perspectives from services branding in a network as descriptive as possible. The other interviews are smaller e-mail enquiries with few key questions supporting the important areas of the focal interview and aspects presented in the theory. Based on the theoretical part a careful analysis and conclusions from the interviews are made.

2 SERVICES BRANDING

This chapter describes the elements beneath the services branding-concept by first defining a brand and its forms relevant to this study, and furthermore what has to be taken into account when developing a consistent brand image. Then this chapter moves on to defining the characteristics of services and finally, the elements central to branding services are presented.

2.1 Definitions of a brand

2.1.1 Brand as an umbrella

A brand can be seen as a line brand which image is then constructed on a single product or a service, or a brand can be defined as a corporate brand which then represents an organization and its identity (McDonald et. al 2001, p.336). Brand can also be identified as an umbrella when several products or services are placed under a single, coherent brand (Hakenes & Peitz 2008). In this paper, further descriptions of line and corporate brands are omitted as the brand as an umbrella is of more relevance due to the aspect of network cooperation and thus characterized more in detail.

Hakenes and Peitz (2008) suggest that umbrella branding is a standard business practice for products with attributes of experience goods. According to a three-fold classification of goods, which has been borrowed by the discipline of services marketing, services have significantly more experience properties than products. Therefore most services are experience goods. (Moorthi 2002, p.261) It has also been pointed out that umbrella branding survives in asymmetric markets and that one service can even be sold at a loss
to stabilize the umbrella brand. In general, umbrella branding does not necessarily imply high quality in all of its sectors; the firm may choose low-quality services with positive probability. (Hakenes & Peitz 2008) However, this choice of low-quality services may create a risk for the coherence of the umbrella brand image; if the enhancement of the low-quality service is insufficient in the eyes of the customers, the image of the entire brand may suffer.

The main reason umbrella branding works, according to Hakenes and Peitz (2008), is that consumers formulate inferences from the characteristics observed in one service to the characteristics of others and most importantly, customers can draw inferences from experience about the quality of a product or a service sold under the same umbrella brand. This description is supported by Aaker and Keller (1990), who point out in their research that the perceived quality of one product affects the expected quality of another one. An umbrella brand can also carry information; a company can link the expected quality of one service to the customers’ experience with another service. Such a strategy however requires the company to be able to estimate the product or service quality before it is launched on the market. (Hakenes & Peitz 2008) The functionality of an umbrella brand in a network context depends accordingly on the concerted actions of organizations and their employees.

2.1.2 Sub-brands

Related to umbrella branding, the definition of sub-brands comes into question. The branding strategy for a company, or a network of companies, reflects the number and nature of common and distinguished brand elements applied to the different products or services sold by the company or companies. When a new brand is combined with an existing brand, the brand extension can be called a sub-brand. (Kotler & Keller 2006, p.296)

Sub-brands can add attributes that are relevant to the customer and thus make the master brand seem more differentiated and appealing. A sub-brand can also stretch the master brand, allowing it to compete in arenas in which it would not otherwise fit. In addition, the sub-brand can alter the image of the master brand by adding an attribute or benefit
association or by adding energy and personality. (Aaker & Joachimsthaler 2000, p. 115) Sub-brands are thus a good means of creating added value to a collective brand of a service network. Sub-brands assist the organizations in the network recognize the field of services they themselves represent and furthermore, customers can more easily comprehend the service entity the network has to offer through a clearly defined set of sub-brands. However, the functionality of sub-brands appears to depend on what basis they are established and how well they support the image and promises of the umbrella brand.

2.2 Brand development

Values, colours, name, symbols, words and slogans are most commonly recognised entities which a holistic brand image integrates. It has been argued, that once an organization establishes a favourable brand image its main task is to ensure consistency. (de Chernatony et. al 2003) The strength of brand is thus determined by the consistency of the different brand identity components (Burmann & Zeplin 2005, p. 280). For a brand to flourish, mature and evolve a constant, persistent input of the brand manager and also of employees is required; a brand needs to be lead and developed, or its strength will inexorably perish. In other words, for a brand to be strong, it needs to have more than just appealing advertising (Burmann & Zeplin 2005, p. 280).

2.2.1 Brand identity

A clearly defined brand identity is a central factor in brand creation and in further development. According to Burmann and Zeplin (2005), a brand needs to have a credible identity in order to be trusted. According to Aaker’s (1996) brand identity framework, there are four elements under which an identity is classically developed for a brand. These are brand as product, which describes the product related attributes of the brand, brand as organization, which concerns with the organization’s efforts in building a strong brand, brand as person, which characterises the personality aspects of the brand and brand as symbol, which deals with the symbolic aspects of the brand. Any possible brand can be described and developed in terms with these four elements.
A relatively new brand research is emphasised in the research written by Burmann and Zeplin (2005). This suggests that strong brands are built through identity-based brand management. This approach tries to comprehend the development and functioning of brands and brand customer relationships through proponents which have been partly transferred from human psychology research to brand management. The identity-based brand management strategy considers an inside-out perspective to be equally important as the outside-in perception in brand creation; while brand image is on the receiver’s side, brand identity is on the sender’s side. Brand identity can thus be defined as those sustainable attributes that determine the fundamental nature and character of a brand from the internal perspective. (Burmann & Zeplin 2005, p. 280) Hence, a brand identity is strongly dependent on the way the desired brand message is expressed to the employees and how the employees are included in the brand development process.

2.2.2 Brand revitalization

As the markets grow more unpredictably and the consumers’ preferences change over time even surprisingly suddenly, one can identify brands with strong identities that once were very admired and valued, but have almost disappeared from the market. According to Kotler and Keller (2006), reversing a fading brands fortune requires either that it “returns to its roots” from where the brands sources of identity and values are restored, or that new sources are established. Regardless of which approach is taken, dramatic and ambiguous changes are needed in order to ascend the brand into new consciousness among consumers.

When a company desires to change the declining direction of a brand, it has to reflect carefully where the strengths of the brand came from initially and are those positive associations losing uniqueness or strength and moreover, have negative associations become linked to the brand. Subsequently, a company has to make a decision whether to retain the same positioning or to develop an entirely new one. (Kotler & Keller 2006, p. 294) However, when a brand has lost its appeal or it has not been a success to begin with, the decision of retaining the same positioning might be the wrong one, as the initial positioning could have actually been the very reason for the failure to occur. On the other hand, the creation of a completely new positioning does not come without risks either; if
the target group of the brand considered the same as before, finding a new set of appreciated attributes could be a rather demanding task, or at least a very time and resource consuming path.

2.2.3 Brand reinforcement

As a company’s major enduring asset, a brand needs to be carefully managed so that its value does not depreciate (Kotler & Keller 2006, p. 291). Moreover, in a service network this is of particular importance; how to guide the companies and the people in a network towards a vivid brand image that should constantly be developed and how to convince them into believing that a distinctive, long-term advantage will be gained through the brand managing efforts.

According to Kotler and Keller (2006), a brand is reinforced through marketing actions that consistently convey the meaning of the brand to consumers in terms of what product or service the brand represents, what core benefits it supplies and what needs it satisfies, and also how the brand makes those products or services superior, and which strong, favourable and unique brand associations should exist in the minds of consumers. Consequently, reinforcing a brand requires innovation and significance throughout the marketing stream, and Kotler and Keller (2006) also point out that the brand must constantly be moving, and more importantly, towards the right direction. Brands that fail to do so, soon find that their once known success is just a sigh from the past.

2.3 Services branding

There has been a noticeable amount of discussion whether the principles of branding services differ from those of products (e.g. de Chernatony & Segal-Horn 2003; de Chernatony & Dall’Olmo Riley 1999; Moorthi 2002). Each discussion shares a common belief that it is the emphasis given to different elements of the branding strategy that differentiate services branding from product branding, yet the conceptual basis of “the brand” remains rather similar. Hence, the service experience and service performance are important in building service brands (Matear, Gray & Garret 2004, p. 288). De Chernatony and Segal-Horn (2003) emphasise the uniqueness of services by pointing out that since
service depends on the culture of an organization and the attitudes and training of its employees, it is more difficult to build and sustain successfully, but is more difficult to copy by competitors. Accentuating this, Doyle (1989, p. 87) has pointed out that service is perhaps the most sustainable differential advantage. The critical task of services branding, according to Shivakumar (2008, p. 2) and de Chernatony, McDonald and Harris (2001, p. 345), is to bring tangibility to the intangible. However, this task becomes more difficult when the brand represents a network of independent organizations.

2.3.1 Executing the service branding strategy

Having devised a core set of functional and emotional values for a service brand, these then need to be supported by an appropriate executional strategy (de Chernatony & Dall’Olmo Riley 1999, p. 187). According to de Chernatony and Segal-Horn (2003, p. 1100), the execution of a services brand strategy needs more consideration due to factors such as the intangible nature of services, the variable perceived quality of a services brand which is reliant on all employees acting in the same way and the numerous interfaces through which customers interact with the service brand. It is also argued, that successful service brands, and thus effectively implemented service branding strategy, derives from carefully nurtured relationships, which develop employee’s and consumers’ respect for certain functional and emotional values of the brand. Thus the execution of a service brand also requires greater emphasis on internal marketing. (de Chernatony, McDonald & Harris 2001, p. 339)

De Chernatony et al. (2001, p. 342) suggest that service brands can be developed through a process which consists of setting clear brand objectives, defining a clear positioning and selecting appropriate values. Supporting this process, Dobree and Page (1990) have further developed it by listing five steps for effectively branding services. These are building a brand proposition, which is consistent with defining a brand positioning, overcoming internal barriers, which comprises of assuring employees from the benefits of the brand strategy and thus attenuating the possible counteraction, measuring delivery against the proposition, continual improvement and expansion. Expansion means that organizations must continually re-evaluate their brand proposition and increase the amount and qualities of their services offered and reach towards new consumers in order
to create a thriving brand. These rudiments should thus be included in an organizations’ long term strategy for securing the continuous evolution of the brand.

### 2.3.2 Elements of a successful service brand

Some of the important issues that affect branding services are characteristics of services, importance of symbols, empowerment of staff and consumer participation in developing the brand (Moorthi 2002, p. 260). Moorthi also suggest that successful service brands can be developed based on the principles of the fast moving consumer goods (FMCG) branding, although with modifications. These principles of the model are product definition, clear product benefit identification, brand differentiation, consumer motivation and measurement of product strength.

De Chernatony and Segal-Horn (2003) have identified themes specific to services brands in their research and through those, they recognised three criteria of importance in the success of services brands. These are focused position, consistency and values. A clearly focused position can provide a key competitive tool to attract customers from competitors’ brands and it is strongly linked with communication to ensure comprehension among both employees and consumers. Consistency reflects to the fact that it must extend to encompass the experience of the brand by all stakeholders, not just consumers; there must thus be common perceptions of the brand among all stakeholders. Values are something managers need to represent in their own behaviour in order to commit employees to the brand vision. The point that has been stressed here is the responsibility of managers in creating an organisational culture where management commitment precedes staff commitment. (de Chernatony and Segal-Horn 2003, p. 1114)

Hence, these elements can be assumed to be in a crucial position in long-term brand development. Through a clearly and strongly focused position a service brand can, in addition to achieving a competitive advantage, survive in the unstable market environment and through the times of increasing competition. Further through consistency, a coherent brand image can be created and sustained. In addition, values, when successfully embedded, ensure the true commitment of the employees to the brand vision in a network
and thus through enthusiasm, makes the consistent behaviour and actions of employees possible.

3 SERVICE NETWORK CO-OPERATION

In this chapter, the concept of network co-operation in marketing is viewed. First, the fundamental definitions of a network are presented, followed by issues concerning communication in networks and employee commitment to the brand. Finally, network co-operation is examined in the context of brand development and what are the possible competitive advantages gained through a network of organizations in services branding.

3.1 Definitions of networks

The competition in the service industry is growing inexorably and the needs of consumers are changing towards more specified desires and high-demanding expectations. Many service companies have discovered that to be able to correspond to these needs and to evolve, cooperation in at least some forms of networks is increasingly important and needed. Moreover, according to Williams (2005, p. 223) alliances with other organizations are becoming ever more significant in the strategies through which organizations attempt to secure competitive advantages.

Some studies concerning networks differ in the way in which viewpoint they are observed from. A network can be seen as a service network which can be defined as two or more entities connected formally or informally which directly provide a range of resources and activities that create value and help customers solve short- or long-term problems. The keys to this definition are that each entity in the network performs service activities that work in combination with other firms’ service activities and that each entity interacts directly with customers. (Morgan et al. 2007, p. 373) Additionally, a network can be defined as a service value network where the organization is seen to be a part of a larger network of organizations that together create value, more accurately, a value network is a multifaceted web of indirect and direct ties between various participants, all delivering value either to their immediate customer or the end customer. Thus, value in a service value network is created through a complex set of relationships, and influenced by the
social, technological, economic and political context in which it is embedded. (Basole and Rouse 2008, p. 55) Moreover, a network can be seen as an interorganizational network (Williams 2005). In the context of this study, the latter concept is the most significant and thus it will be described in more detail below.

3.1.1 Interorganizational networks

It has been argued by Basole and Rouse (2008, p. 55) that the concept that organizations exist in networks is based on the premise that companies do not merely operate in dyadic relationships, but are deeply embedded in complex economic systems consisting of numerous interorganizational relationships. In addition, compared with markets and single organizational relationships, interorganizational alliances are distinctive in their reliance on reciprocity, collaboration, complementary interdependence, reputations and relationships, and an informal climate oriented towards mutual gain (Williams 2005, p. 223).

Interorganizational networks (ION) can be described, according to Williams (2005, p. 223), as groups of legally separate organizations connected with each other through exchange relationships, common or complementary goals, and/or common bonds or social relationships that are sustained over time. The main reasons why organizations enter and remain in ION are: to meet legal-political requirements, to reduce uncertainty in their environments, to economize transactions, to pursue common or complementary goals, to achieve credibility and respectability through association and to preserve their autonomy. Conversely, lack of trust among partners, the reluctance of organizations to partly relinquish their independence, the complexity of joint projects and also the different capacities of organizations to collaborate are common barriers to cooperation. (Williams 2005, p. 224)

When considering the continuity and advantages gained in interorganizational networks, the probability in obtaining benefits from the network are defined by the structure of a network and the location of each organization and its contacts in the structure. Consequently, if an ION structure provides numerous opportunities for organizations to benefit, organizations are more likely to accept that they can all gain and to be motivated to cooperation rather than to compete with each other. On the contrary, in an ION structure
that provides few opportunities for companies to benefit, they are more likely to compete rather than co-operate. (Williams 2005, p. 224) For an interorganizational network to function with its full capacity, every organization needs to understand the common goals towards which to aim at and further, how they can be attained.

3.2 Brand development in a service network

Networks create much more challenges to the branding process in comparison with single organizations due already to their complex structure, but moreover because of the employees and diverse relationships connected to the network. The implementation of a brand vision among the organizations and the people in them demands long-term commitment and persistence in order to attain a coherent awareness of what the brand represents. Moreover, what is especially crucial in a service network is the need for quality and consistency in the services provided; employees deliver the brand message to consumers and are thus a key element in brand creation and development. Hence, the commitment of employees to the brand and multifaceted communication within the organizations in the network are of crucial importance.

3.2.1 Committing the employees

The complexity of service networks exposes the brand strategy to a much higher risk of being unsuccessful; if employees of the organizations in a network are not committed and consistent in their behaviour towards consumers, the message of the brand will eventually appear fragmented and discarded. Accordingly, what really matters for long-term brand success is customer experience – something that is determined by the assumptions and direct actions of employees (Ind 2003, p.394). By taking the employees into account, a creation of a message that does not resonate with staff or one that even builds resentment can be avoided (Mitchell 2002, p. 101). Therefore, all employees in a network need to be familiar with the brand identity concept and be committed to live the brand both internally and externally (Burmann & Zeplin 2005, p. 281).

There are some suggestions for how to commit the people to the brand in an organization and these suggestions can also be applied to the network level. Ind (2003, p. 395)
proposes that employees need to identify with and be committed to the organization and its ideology in order to achieve consistency in the quality of the services provided. Further, to build a genuine commitment towards an organization requires clarity and truth; these are communicated through a clearly defined brand vision that is consistent with and helps to attain the business objectives of the company. This perspective is supported by Folignos’ (2008) study, in which it is suggested that it is crucial for organizations to develop a culture that aligns the behaviour of employees with the brand promise. According to Ind (2003, p.398), creating this culture in a network environment is most often the difficult part. It requires the integral commitment of management, a willingness to empower people, readiness to take risks, an acceptance of the need to share ideas and results and the integration of the ideology into all facets of the network.

It has been pointed out that well-designed induction and training programmes help create greater staff commitment, which is an important component in strong service brands (de Chernatony & Segal-Horn 2003). A means of committing the employees to the brand ideology can also be, according to Mitchell (2002, p. 103), creating an internal branding campaign. Morgan et al. (2007) also support Mitchells’ point of view, however they emphasise the criticality and difficulty of internal branding above all in services network as it is more complicated to apply internal branding ideologies and tactics to service experiences that span over two or more organizations.

The goal of an internal campaign is very similar to that of an external one: to create an emotional connection to the organization or a network that transcends any one particular experience. Further, the campaign ought to be planned and executed professionally to introduce and explain the messages and then reinforce them by attaching the brand into the structure of the network. A professional branding campaign takes the form of a consumer branding campaign with a set of stages that starts with research and continues through the planning and execution of a communications strategy designed to convince employees of the credibility of the brand. By incorporating the brand vision to the service network, the organizations inculcate the vision into the employee experience to the extent that living the brand becomes instinctive. (Mitchell 2002, p. 103-105) Although the theory of internal branding campaign is somewhat supported by other researchers (e.g. Ind 2002 and Burmann & Zeplin 2005), the grounds of the theory being successful in practice are rather concise.
3.2.2 Communication

According to de Chernatony and Segal-Horn (2003), one of the differences between services and product brands is that there are far more points of contact between services brands and stakeholders, necessitating more attention to a coherent communication strategy internally and externally. Consequently, part of the reason for services brands failing is that employees do not communicate a consistent message about their organizations brand as they interact with a variety of stakeholders. Hence, service brands depend on good internal communication programmes to support greater consistency on delivering the service experience, at whatever point the customer’s contact with an organization occurs (de Chernatony & Segal-Horn 2003, p. 1099).

What has to be taken into consideration, is that even though the service network may have developed a well conceived positioning for their brand and devised a good communication programme, the brand can still flounder because of insufficient attention to the role the employees play in producing and delivering the service (McDonald et al. 2001, p. 346). Thus, by communicating information about the service vision, the brand promise and consumer expectations, employees can better understand their role as brand builder (de Chernatony & Segal-Horn 2003, p. 1102).

Ind (2003, p. 398) points out, that companies often operate in the mistaken belief that if they simply communicate their ideology to employees it will automatically be embedded in their working lives. In reality this is on the contrary; one can not tell people to believe in something. Ind further suggests that instead of a forced attempt to implement a brand ideology, an environment where employees experience the ideology for themselves should be emphasised. That is, stimulating self-discovery and behavioural change instead of trying to dictate it. In order to yield, this approach requires the brand ideology to be permeated and understood throughout the network. It engages employees with its ideas, not primarily through training and communication, but by involving people with the purpose and the values of the network. As the service personnel are often the only point of contact
3.3 Network co-operation in branding

Brand development through network co-operation, where the organizations are highly independent, is indisputably a demanding task; the potential advantages achieved are numerous, as are the challenges and risks that arise. There are also special characteristics of the results that are unique to a network approach and are as follows: results of networks can be rather unexpected because they will be the result of the process more that of the ambitions at the moment the co-operation began, results can be difficult to identify due to multiple actors in the network and results can appear in a number of different dimensions, for example in the structural or profit level (Iacobucci 1993, p. 121).

Branding and network literature comprehend only a few references (Iacobucci 1996; Morgan et al. 2007 and Williams 2005) that describe the possibilities gained and challenges encountered through network co-operation in branding. Despite, these references share common concepts of what can be achieved in branding when the execution takes place in a network and conversely, what can the organizations in a network gain through the collective brand development. These factors can be defined as possibilities in differentiation, synergy and resources, which can all result to attaining competitive advantages.

3.3.1 Differentiation

According to Morgan et al. (2007), an important goal for brand managers in networks is to achieve brand differentiation while maintaining a consistent brand experience across “brand touchpoints”. A “brand touchpoint” is defined as any information-bearing experience that a customer or stakeholder has with a brand and this includes the network’s controlled communication of the brand’s purpose and identity, the core elements of the brand and encounters with service-producing employees. Thus, because a brand is essentially the sum of its touchpoints, explicit and hidden communication dimensions must all be
recognised and accounted for by managers in order to achieve a consistent and differentiated brand message. (Morgan et al. 2007, pp. 374-375)

3.3.2 Synergy and resources

Comprising integrated combinations of assets and capabilities, resources have traditionally been thought to reside primarily within a company. However, superior resources can also emerge from the synergy resulting from the coordination of independent firms in a series of value-adding partnerships. Further, capabilities and interorganizational processes are closely entwined, because it is the company’s capability that enables the activities in a business process to be carried out by independent firms operating independently in a network. (Iacobucci 1993, p. 125)

Williams (2005, p. 225) argues that cooperation between organizations yield greater economic efficiencies than either market exchange or hierarchies in some circumstances but also points out that, because each organization is concerned with maximising its own efficiency, transaction costs are incurred by the need for organizations to monitor and control each other’s behaviour. In addition, what is important in a network is confidence in partner cooperation and this is defined as a company’s perceived level of certainty that its partner firm will pursue mutually compatible interests in the alliance, rather than act opportunistically (Williams 2005, p. 223). Thus, to attain true synergy between the members of a network, opportunistic behaviour and the need to control others action must be averted.

3.3.3 Competitive advantages

It has been suggested that brand investment and service development are central sources of advantage for service organizations (Matear, Gray & Garrett 2004, p. 295). Further, it is argued by Morgan et al. (2007, p. 375) that the competitive advantage for most companies in a service network lays in the added value associated with superior service rather that the elements of the marketing mix. Consequently, good service drives customer satisfaction, promotes customer loyalty, and is thus a key defensive marketing strategy. Conversely, Iacobucci (1993, p. 126) claims that although there are gradually more
networks in which companies are increasingly interdependent, few networks truly reinforce a company’s long-term competitive advantages and even fewer develop into a system of relationships that create a sustainable advantage. Reasons for this are argued to exist in the managers’ perspectives that do not deeply deem in the power of cooperation.

The most obvious advantages of network co-operation in service brand development can thus supposed to be gained through the synergy of different companies, their combined capabilities and resources and also from active service development. Through these a network can achieve a competitive advantage in the market and also differentiate itself with a unique brand in the eyes of customers as well as competitors. For these advantages to be truly reached, the managers of the organizations in the network need to apprehend the potential and power of co-operation.

3.4 Summary of the theory

In service brand development within a network, from the numerous definitions of branding strategies, the concept of umbrella branding and further the concept of sub-brands are in central position in this study. Umbrella branding is considered to be effective as consumers formulate inferences from the characteristics observed in one service to the characteristics of others. However, the functionality of an umbrella brand in a network context depends on the concerted actions of organizations and their employees. Sub-brands can be related to umbrella branding as they can add attributes that are relevant to the customer and thus make the master brand seem more differentiated and appealing. Nevertheless, the functionality of sub-brands appears to depend on what basis they are established and how well they support the image and promises of the umbrella brand.

When considering the elements important in reviving a brand and consistently developing it, the underlying element appears to be a clearly defined brand identity. Brand identity can be defined as those sustainable attributes that determine the fundamental nature and character of a brand from the networks internal perspective. Hence, a brand identity is strongly dependent on the way the desired brand message is expressed to the employees and how the employees are included in the brand development process. In reviving a brand, it has to be carefully reflected where the strengths of the brand came from initially
and are those positive associations losing uniqueness or strength and moreover, have negative associations become linked to the brand. Subsequently, a decision has to be made concerning whether to retain the same positioning or to develop an entirely new one.

It has been suggested that service brands can be developed through a process which consists of setting clear brand objectives, defining a clear positioning and selecting appropriate values. It is also argued, that successful service brands, and thus effectively implemented service branding strategy, derives from carefully nurtured relationships, which develop employee's and consumers’ respect for certain functional and emotional values of the brand. Thus the execution of a service brand also requires greater emphasis on internal marketing.

As reflecting the context of networks in service brand development, the central elements can be defined to be the commitment of employees to the brand and also the way the brand message is communicated both inside and outside a network. To build a genuine commitment towards a network and its brand requires clarity and truth; these are communicated through a clearly defined brand vision that is consistent with and helps to attain the business objectives outlined. The advantages of network co-operation in service brand development can supposed to be gained through synergy of independent organizations, their combined capabilities and resources and also from active service development. Through these a network can achieve a competitive advantage in the market and also differentiate itself with a unique brand. For these advantages to be truly reached, the managers of the organizations as well as the employees in the network need to apprehend the potential and power of co-operation.

4 EMPIRICAL RESEARCH

The aim of this study, as mentioned at the beginning, is to examine services branding in a network context; how the brand-reviving strategy can be implemented and what possible advantages or disadvantages may emerge. The goal is not to conduct suggestions for the Aulanko brand project, as the project itself has already come to an end, but to merely achieve a better comprehension of the phenomena of services branding and network co-operation. Thus, this study can be described as a descriptive research.
The empirical data of this research is assembled from a focal interview of the brand project manager and from two minor e-mail enquiries which were each carried out as half-structured. The face-to-face interview elaborated the central issues discussed in the theoretical part and the aim was to obtain a practical viewpoint from services branding. For the questions of the main interview, see appendix 1. As the project manager wishes to remain anonymous, this person is referred merely with the term “project manager” or “Aulanko project manager” in the text. The e-mail interviews supported the key issues of the focal interview and their purpose was to understand the perspective of the organizations in the network, how they have experienced the branding process and what they have achieved from the co-operation. The questions asked in these smaller interviews are presented in appendix 2. The two companies interviewed through e-mail wish to remain anonymous as well and these are thus referred with the terms Company 1 and Company 2.

4.1 Interview results

4.1.1 Aulanko brand project

Aulanko is situated in Hämeenlinna and it is one of the most potential travel destinations in South-Finland. Although Aulanko was a very popular and an internationally known destination some twenty years ago, due to tightened competition its popularity has drastically decreased. To be distinguished from other travel centres and to revive the Aulanko-brand, a need for persistent co-operation and networking emerged. The Aulanko-network consists of 23 legally separate service companies with different, yet complementary service offerings. There is for example a spa-hotel, a golfcourse, tennis courts, cafes, restaurants, shops and a beautiful nature surrounding the area. The vision and aim of the Aulanko brand project was thus to implement the corner-stones of the branding strategy in the network, further intensify the operational culture and strongly enhance co-operation in order to develop Aulanko to be the most popular travel centre in South-Finland by the year 2020. The Aulanko brand project was started in 2005 and concluded in 2007, and it was an extension of Aulanko network project that took place during the years 2003-2005. (Aulanko ESR-projektin loppuraportti 2008, p. 2)
The grounds for the brand project were created through the Aulanko networking project, which was commenced from the desire of the companies to co-operate in the area of Aulanko. After the two-year networking project, the need to revive the Aulanko brand emerged and thus, the brand project was initiated. The starting point for the branding project was considered nonexistent; although the name Aulanko itself was already a concept, a brand itself, it had no more a content. In addition, Aulanko did not have a real brand strategy at all, which can most strongly be reflected through the fact that Aulanko has spent over twenty years of quiet life. (Aulanko project manager 2008)

4.1.2 Services branding

The first part of the interview concentrated on the issues regarding the concept of services branding. The detailed results are discussed below.

4.1.2.1 Strategy creation

When discussing on the current branding strategy and how it was created, it is evident that generating a strategy requires a remarkable amount of research and evaluation; if the desire is to form a strategy with true importance and effectiveness, it should not be done on light basis. According to the project manager (2008), the characteristics of the desired Aulanko brand were defined through a variety of processes and analyses and the goal to be achieved from these was to create a strong brand identity which attracts attention and which is based on Aulankos’ true strengths. The brands heritage and image had to be mapped out as well in order to understand what the brand represented before and what the direction to which to lead the brand is in the future. The strategy was thus based on research and analysis, nothing were artificially created. Accordingly, this brand creation process is in accordance with the theoretical aspects presented in this paper which suggests that service brands can be developed through a process which consists of setting clear brand objectives, defining a clear positioning and selecting appropriate values.
The processes carried out in creating the strategy were image-analysis, customer-analysis, competitor-analysis and also self-analysis. Through these, the aim was to define the brand positioning: what the brand currently represents to the customers and what are they looking for when considering the services Aulanko has to offer, how Aulanko can be distinguished from other brands in the eyes of customers and to confirm that the selected strategy is sufficient enough to differentiate the brand compared to competitors’. Further through the self-analysis, which is an essential phase, the crucial goal was to define whether there were enough capabilities among the organizations in the network to develop a strong, permanent brand. The importance of capabilities is particularly emphasised by the project manager who summarises it as quoted:

*If an organization does not possess capabilities, desire and understanding, the goals set to the brand will not be fulfilled.*

As the branding project aims at long-term development and results, decisions had to be made according to the principles of business in order to succeed. (Aulanko project manager 2008)

Since the fundamental aim of the Aulanko brand project is to revive the brand names’ once flourishing reputation, the approach for the revitalization is in a crucial role. Resembling what mentioned in the theoretical part, a company has to carefully reflect where the strengths of the brand came from initially, what it represents nowadays and what is the positioning and image desired to create in order to turn the brands declining direction. In the case of Aulanko, the name “Aulanko” itself was well-known, a brand, but it had no deeper meaning or value. Thus, to revive the brand the project manager “returned to the brands roots” and decided to build meaning and connect the underlying strong attributes to it.

### 4.1.2.2 Aulanko brand

In the theoretical entity discussed in this study, the meaning of values in developing a brand is strongly emphasised. The values, and similarly the strengths of Aulanko brand are mentioned in the branding strategy and these consists of, according to the project
manager (2008), the centric location and structure of Aulanko, the nature and appealing services and offering. These elements are accentuated by strong attributes like beauty, nature, love and well-being. The most powerful asset of Aulanko brand before all is considered to be the centric location; no matter what are the actions of competitors, the location can not be taken away. Considering these elements, the Aulanko brand has unique attributes that can not be easily copied by competitors and thus the brand has promising possibilities of obtaining a strong position.

The Aulanko brand is considered as an umbrella for the network. It represents the identity, values and positioning to the organizations and towards which they should direct their actions at. When discussing about the role of the brand in the network, the Aulanko project manager (2008) reflects the role to the issue of how the brand is being realized among the organizations and continues by pointing out that the role the brand possesses demands the organizations to comply with the strategy and the brand vision. This is due to the fact that in the end, it is the customers that form the brand, not the marketers nor the employees. Accordingly, the brand is being realized through every encounter; through communication, services, modes of action, and most importantly through people. Moreover, it is the services, their quality and consistency that make the brand alive. The continuing challenge faced here is to teach the organizations and their employees to represent the Aulanko brand in their actions and interchanges so that customers and other constituencies can identify a congruency. (Aulanko project manager 2008)

There are four authentic sub-brands to the focal umbrella brand: Active Aulanko, Indulgence & Well-being, Culture & Events, and finally Meeting & Conference. Active Aulanko consists of services related to sports and active life, Indulgence & Well-being is related to relaxing and it consists of for example spa and festivity services, Culture & Events combines factors related to unique experiences such as theatre and cruise services, and Meeting & Conference offers business related services to different organizations. These sub-brands were formed from a purely strategic-competitive viewpoint in order to clarify what the Aulanko brand consists of both in the eyes of customers and the organizations in the network. At Aulanko, there is a very wide variety of services to offer; the sub-brands make it easier for customers to find and buy the services. In addition, the sub-brands give structure and an ability to be distinguished to the main
brand and they make it seem more differentiated. Consequently, the aim is to create contents to the brand through the sub-brands. (Aulanko project manager 2008)

The formation of the sub-brands also contains a networks inner perspective. In for example product development and management, the sub-brands empower a more efficient ability to react to changes in the operational environment; if the competitive situation changes rapidly, it is possible to raise any one of the sub-brands to a leading position at any times, and thus to profile the offering better and to allocate the marketing communications to the right customer segment. This inhibits the service providers from dispersing at the times of drastic changes. (Aulanko project manager 2008) When considering the Aulanko umbrella brand and its sub-brands, the sub-brands can be described to be in congruency with the focal brand. Furthermore, the sub-brands support well the identity of Aulanko brand, as they represent the actual contents of the brand.

4.1.2.3 Characteristics of a service brand

When discussing about the distinctive characteristics of a service brand, motivation and consistency are in an important role, especially from the network-perspective. It is acknowledged by the project manager (2008), that it is significantly more challenging to brand services than products. In addition, the project manager points out that people observe the network and its performance as an entity, which challenges the employees to deliver a coherent brand message. Furthermore, when observing the network from the inside, there are numerous co-operation contracts and actors involved and this challenges the project manager to communicate a coherent message to them. The fact that employees are the ones who realize the brand can be considered as strength but also as challenge. The challenge in developing a service brand in a network context is to commit and motivate organizations which acquire their own authority, as the executive party has no direct power to command but to merely act in a guiding role. (Aulanko project manager 2008)

A significant challenge emerging from the characteristics of services in brand development in a network is, according to the Aulanko project manager (2008), the fact that organizations make their own decisions about their service products and this is a risk; the
services provided need to be coherent and they can not deviate from the Aulanko umbrella, or the customers will be confused. Thus, it is crucial for the organizations to act on the collective norms as it is the brand ideology that is the grounds for everything in services branding. The Aulanko project manager summarises the key emerging from the characteristics of branding services to be coherence – it directs everything.

4.1.2.4 Strategy implementation

An important issue discussed in the interview concerned the implementation of the branding strategy; what are the ways to communicate the principles of the strategy and how to carry it out in the operational level. At the beginning of the Aulanko brand project, the strategy was communicated to the organizations and its employees through training and different meetings where the basic concepts of the brand were illustrated. This approach was soon found too challenging, as most of the people did not seem to be able to follow this theoretical approach. Thus, a new viewpoint was needed to turn the already negative direction. The branding strategy of Aulanko was then implemented through a more practical approach where people were able to participate and experience for themselves the brand ideology through commonly organized events. This approach, where the ideology is that through achievements the desire for co-operating is nurtured, proved to be successful and the direction was turned to a more positive direction. (Aulanko project manager 2008)

According to the project manager (2008), the practical approach is effective because when the guidance for actions of people comes through the cornerstones of the branding strategy, people learn them subconsciously and eventually begin acting according to them both inside and outside the network. The project manager summarises the idea of this approach very distinctively:

Through practice and experience, people are implementing the branding strategy without actually even realizing their doing it.

When considering the practical way of implementing a branding strategy, it appears to be a very noticeable means of getting the people, who are representing the brand to the customers, to effectively interiorize and approve the new strategy and more importantly, to
commit the people to the brands characteristics and desired image. It is evident, that the enthusiasm and true passion of the people in the network are needed to successfully implement a branding strategy.

Although the execution of the strategy brought challenges to the development of the Aulanko brand, the most profitable way of coming through the problems is, according to the Aulanko project manager (2008), to learn from the difficulties as it is through problems where new, fresh ideas and opportunities emerge. The overcoming of the challenges moreover encourages the organizations in the network to be actively involved and to achieve results. Conversely, the enthusiasm of others increases the threshold for the passive organizations to actively participate in the operations of the network.

Reflecting the answers regarding the strategy implementation, an important factor is to find the most suitable way of execution with regard to the people involved; a theoretical way of communicating the brand strategy may not be the most effective. In addition, it is crucial to encourage and motivate the people realizing the strategy in order to attain enthusiasm and true commitment towards the brand ideology.

4.1.3 Service network co-operation

The second part of the interview consisted of the characteristics of network co-operation and how brand development can be implemented through a network of organizations. The results are analysed in the following pages.

4.1.3.1 Network adaptation and commitment

The discussion on the network co-operation and how to empower the people in it to strive for creating a coherent brand image brought out a complex set of issues and challenges to overcome. When the branding strategy was presented to the organizations in the network, there were no remarkable resistance towards the new ideology and ways of operating after the approach was transformed from the theoretical to the practical, although it was not a surprise that there were from the very beginning a group of passive as well as active organizations (Aulanko project manager 2008). According to both Company 1 and
Company 2 (2008), the strategy and its ways of implementation were presented very clearly and an overall comprehension could be achieved almost immediately. Furthermore, the stated goals have been regularly reflected to what has been achieved, and that has motivated the organizations to carry on with this project.

A demanding challenge in adapting the organization and the people to the branding strategy has been, according to the Aulanko project manager (2008), to get across the organizations to understand what it means in actuality to be involved in a network and what it requires. This has been a challenging task, but yet it has been gradually evolving. The project manager continues on this issue by stating that the absolute capacity the organizations can achieve through co-operation has not been attained thus far. Hence, to yield all the possible benefits from the synergy of the organizations requires a persistent and continuous input from the executive body.

When elaborating the means of motivating the organizations to operate towards common objectives and how to commit them to a long-term branding quest, above all the meaning of close and consistent co-operation is emphasised in the interview. As the network consists of a group of different cooperation partners, the most effective means of committing them to the brand ideology and collectiveness is through the ideology of action, experiencing and accomplishments, as discussed in the first part of the interview (Aulanko project manager 2008). In addition, the internal communication in the Aulanko network has a central role in committing the employees and organizations; when sharing positive experiences and achievements, it motivates everyone to try harder and strive for success and for the goals set in the branding strategy. Furthermore the communication taking place outside the network has a strong position in committing the employees as well; the positive perspectives and achievements mentioned for example in the printed media are an important motivator for the organizations and also an efficient incentive to customers to approach the network.

When observing the perspective of the network organizations, the ways of motivating and committing are seen similarly as from the project manager’s point of view. According to Company 2 (2008), the motivation has occurred through conversations and constant communication via e-mail and what has been of significant importance, is the systematic reminding of the benefits of co-operation and repetition of results already achieved. What
has been essential for Company 1 (2008) is that the project manager has always emphasised the fact that they are doing everything in this project for their selves, not for the project manager.

As discussed in the theoretical section, to build a genuine commitment towards a network and its brand requires clarity and truth and these are communicated through a clearly defined brand vision that is consistent with and helps to attain the business objectives outlined. What can be seen behind the answers in the interviews, is the importance of active recognition of the organizations needs from the project managers behalf, but also the need for a true desire to commit to the project and thus to the brand from the organizations side to create a constructive and developing environment in the network. The brand vision ought to be frequently repeated in order to sustain the networks coherent direction and to ascertain the commitment of every actor.

4.1.3.2 Service consistency

When evaluating the factors concerning the services provided by the network and how to control their implementation, quality and consistency are strongly emphasised. According to the project manager (2008), the service products in the marketing messages sent by the Aulanko network are all tested in practice and discovered to be good in quality. In addition, the Aulanko branding strategy contains certain criteria for services which ought to be followed by the organizations in the network and these consist of the service promises and redeeming of those. The importance of redeeming the promises and what is the significance they possess to the entire network and to the customers has been actively accentuated. Although these words are powerful and seem effective, the project manager (2008) points out that the reality is still far from these objectives; as the organizations in the network are all independent, accepting the service criteria and acting on them on their behalf has been noticeably demanding and slow.

The meaning of the service quality in brand development is thus of great magnitude. The quality factors affect to the customers willingness to purchase and repurchase the services and these reflect, or should reflect, directly to the actions of the service providers and this affects to the successful development of the brand. Consequently, the Aulanko project
manager (2008) emphasises the meaning of the organizations own actions by pointing out that it is the employees through whom the achieving of remarkable results is possible, but not without sacrifices. The project manager further accentuates the meaning of quality by expressing its essence:

*Quality has no significant meaning from the competitive perspective, but in brand creation it is everything.*

In order to achieve a superior level of service quality, interactivity concerning suggestions for service development and feedback ought to be strongly practiced inside the network. Thus in service brand development, enthusiasm and openness has to be rampant as these are the elements that create trust towards the brand. (Aulanko project manager 2008)

### 4.1.3.3 Network coherence

When discussing on how to unify the actions of the organizations in the network and to ensure that these actions remain coherent in the future as well, the need for management and perseverance emerged from the answers. According to the project manager (2008), it is a richness that the network contains a wide variety of actors and services, but this can also be considered as a challenge as in the end, everything comes down to how to get the customers experience that the network is a cohesive area. The project manager further suggests that the actions of the organizations can be unified through positive experiences and that every organization would observe these achievements through their own perspective as well as from others’.

The question on how to ensure the continuity of the network co-operation and thus the brand development was challenging. The project manager however (2008) points out that if the brand is not managed, it will inevitably perish; if there is no brand guardian, the creativity of actors in the network will predominate and the brand image will disperse. The significance of continual leadership in brand development is expressed aptly by the Aulanko project manager:
Success requires rigid leadership.

Hence, the brand has to be developed through persistent management which requires constant analysing, decision-making and genuine actions (Aulanko project manager 2008).

4.1.3.4 Network co-operation in brand development

The context of network in brand development includes great opportunities to be harnessed as well as challenges to overcome. According to the project manager (2008), there are three major challenges that have emerged during the project. The independence of the organizations and their power to make own decisions has been one of the greatest challenges; this situation has complicated the implementation of the branding strategy as well as the controlling of the service quality. Another challenge has been the advancing of the message that network has significant power; how to convince the single entrepreneur from the advantages that could be gained through the entire network. The third challenge has been the fact that customers observe the network as an entity and thus, the actions of single organizations affect the image of the entire network. (Aulanko brand manager 2008)

The challenges faced during the brand project are different to some extent from the perspective of the organizations. According to Company 1 (2008), it has been demanding as there are some organizations involved that revel in the benefits gained through the network although they themselves have done nothing and furthermore, the entrepreneurs’ jealousy to one another has been an unconstructive factor to the environment of the network. Company 2 (2008) emphasises the importance of every organization by pointing out that one cannot stop trying, even when facing difficulties, as it would damage the project and the network. Thus, when developing a brand through a network, the ability to capture the benefits through synergy depends on the organizations’ willingness to cooperate.

When discussing on how network co-operation contributes the brand development, the brand manager (2008) points out that above all the diversity and the content of the brand have been elicited through co-operation and this is of infinite benefit as people are starting to experience Aulanko as a coherent entity. From the perspective of the networks, the
most remarkable benefit from the co-operation has been the increase in visibility and conspicuousness (Company 1 & Company 2 2008). According to Company 2 (2008), a network has significant power and more resources for marketing than a single organization could ever possess. Furthermore, the most important elements in successful network co-operation from the organizations’ viewpoint are openness and honesty throughout all activities and very intensive co-operation (Company 1 & Company 2 2008).

The competitive advantage achieved from network co-operation in brand development is, according to the Aulanko project manager (2008), the diversity of services. The competitive advantage however needs to be earned repeatedly during future years because competition is ever tightening. This concern is well addressed by the project manager:

You must have services, their quality must be sustained and new services must be created in order to keep up with the competition.

As suggested in the theoretical part, brand investment and service development are central sources of advantage for service organizations and in addition, it is argued that the competitive advantage for most companies in a service network lays in the added value associated with superior service rather that the elements of the marketing mix. Subsequently, good service drives customer satisfaction, promotes customer loyalty, and is thus a key defensive marketing strategy. Reflecting these elements mentioned in the theoretical section to the results of the interviews, it can be suggested that in order to achieve a competitive advantage and to create a unique, differentiated brand image through network co-operation in brand development, a great emphasis has to be placed on sustaining service quality and on the performance of employees of the network organizations.

5 CONCLUSIONS AND RECOMMENDATIONS

In this chapter, the final conclusions are formed based on the findings from the interviews. Additionally, the limitations of this study are evaluated and suggestions for future research made.
5.1 Conclusions

A central element in service brand development through network co-operation can be defined as, in the light of this study, the commitment of organizations and their employees towards the brand vision. The commitment can be achieved through a clearly defined brand identity which determines the character and the fundamental nature of the brand from an internal perspective as it consists of attributes important to both employees and organizations in the network. According to this study, the way of committing the organizations and the employees in the network has to be carefully decided. Accordingly, as was discovered from the empirical research, an effective means of committing the people is an approach through which the commitment is achieved by practice, experience and achievements. The way of operating in the network is thus not dictated, it is learned through stimulating self-discovery and behavioural change.

Internal communication was also emphasised in this study as it was pointed out in the focal interview that in service brand development, enthusiasm and openness has to be rampant as these are the elements that create trust towards the brand. Consequently, enthusiasm and openness can be achieved through clear and coherent communication, which also in their part increase motivation and commitment. Another significant element in committing the organizations can be implied to be the persistent input from the executive body; the values that are implemented in the organization must emerge from the strategy and thus from the manager. In addition, the manager must possess ways of motivating the companies actively and these can be reflected from the achievements of the employees and benefits attained from network co-operation.

The distinctive characteristics of services inevitably bring challenges to branding. Based on the empirical research made in this study, the intangibility and heterogeneity were found to be the most challenging features as people tend to observe the network as an entity and thus, the brand image is affected by the actions of every single organization. Hence, the meaning of the service quality and consistency in brand development is of great importance; the quality factors affecting the customers decisions should be recognized by the organizations in the network and thus the actions of employees should be in consistency with these quality elements in order to convey a unified brand message. In the light of the empirical research, the key emerging from the characteristics of branding
services can thus be defined to be coherence, as it is the one element that directs every action performed in the network.

In order to achieve competitive advantages from network co-operation in services branding, a clear and credible strategy has to be created and implemented as a basis. In the case of this study, where branding was viewed from the perspective of brand revitalization, the decisions to be made regarding the strategy should concern whether to create a new positioning for the brand or to persevere the old one, and should new sources of values and identity be established for the brand or should the once existed values be refreshed. In addition, if the case would be similar as with the Aulanko brand presented in this study which is seen as an umbrella with a unique set of sub-brands, the branding strategy should be formed to support the connection between the focal brand and the sub-brands. When reflecting to the theoretical and empirical sections of this study, an effective and coherent branding strategy can be suggested to consist of clear brand objectives, clear positioning, appropriate values and overcoming internal barriers. Through the strategy, the network that represents the brand can achieve a focused position, consistency and permanent values, which are also stated to be elements of successful service brands in this study.

Through an effective strategy, the competitive advantages of network co-operation in brand development can emerge as possibilities in differentiation, synergy and resources, as discussed in this study. According to the findings of the focal interview, the main competitive advantage achieved from the brand development in a network was the versatility of the services provided which makes the brand difficult to imitate and is thus differentiated both in the eyes of customers and competitors. In addition, the competitive advantage can supposedly be sustained through brand investment and service development.

When finally answering to the main problem addressed in this paper which is “What are the key elements in reviving and developing a service brand through network co-operation”, a number of factors can be adduced. In the light of this study, it can be suggested that in order to revive a once lively brand, a clear and coherent brand identity has to be created. The brand identity can be achieved through a strategy, which aims at reviving the brand through appropriate values, which are truly connected to the brand, and
through a clear positioning, which is based on attributes appreciated by the employees and moreover by the customers. When implementing the strategy and starting the development process, according to the findings of this research, consistent brand leadership is required in order to attain and sustain the desired direction, and the committing of the organizations and employees should occur through the pattern of practice, experience and achievements, that is, through self-discovery and behavioural change. In consequence, the true commitment towards the brand ideology and consistency of actions can be achieved so that the people in the network start in fact living the brand.

5.2 Suggestions for future research and limitations

As this study concentrated on a subject not extensively discussed in the current literature, the approach can be considered to be only an initiative for attempting to comprehend the phenomena of service brand development in a network context. In addition, the empirical data composed in this study can be described narrow, as there was only one larger and two smaller interviews made. Thus, truly tenable generalizations can not be made, but only assumptions.

For future research, an approach considering brand revitalization could be taken over, as the current research concerning that subject is quite skim, almost non-existent. Further, the overall study concerning services branding through network co-operation has a number of gaps, and should thus need more attention in the future.
REFERENCES


**Other references:**

Aulanko ESR-loppuraportti (2008), Hämeenlinna.

Aulanko project manager (25.3.2008), personal interview.

Aulanko network Company 1 (8.4.2008), e-mail interview.

Aulanko network Company 2 (11.4.2008), e-mail interview.
Appendix 1: Focal-interview questions

Services branding

1. Miten Aulanko- brändiprojekti sai alkunsa?
2. Oliko Aulangolla aikaisemmin brändistrategiaa?
3. Mitkä ovat nykyisen strategian (erilaistava brändistrategia) tavoitteet ja miten näihin päästään/on päästy?
4. Miten Aulangon markkinointi toteutettiin aikaisemmin?
5. Miten tavoitebrändin ominaispiirteet määriteltiin (minkälainen brändistä haluttiin luoda, mitä haluttiin korostaa)?
6. Mistä tekijöistä Aulangon tavoitebrändi koostuu?
7. Mikä on Aulanko- brändin rooli verkoston yritysten kannalta (sateenvarjo tms.)?
8. Mitä haasteita palveluiden ominaispiirteet tuovat brändäykseen?
9. Mitkä piirteet ovat ominaisia palvelubrändille?
10. Millä perustein alabrändit muodostettiin?
11. Millä tavoin alabrändit tukevat Aulanko-brändiä?
12. Mitkä ovat palvelubrändin kehittämisen kannalta keskeisiä tekijöitä (asiakkaiden & palvelun tuottajien kannalta)?
13. Miten brändin kehittämistä lähdeetään käytännössä toteuttamaan (brändin jalkauttaminen)?
14. Toteutuiko "jalkauttaminen" suunnitelmien mukaisesti?
15. Mitä haasteita strategian käytännön toteuttaminen toi mukanaan?
16. Tehtiinkö strategiaan muutoksia matkan varrella? Jos tehtiin, niin mitä?
Service network co-operation

1. Miten verkoston yhteistyörykset valittiin, miten verkosto muodostui?
2. Miten verkoston yritykset vastaanottivat yhtenäisen bränditavoitteen (vastarintaa, halua kehittyä mukaan tms.)?
3. Miten verkoston yritykset saatin/saadaan toimimaan yhteisen tavoitteen eteen (kuinka vakuuttaa todellisesta hyödystä, kuinka saada työskentelemään pitkän tähtäimen tavoitteiden saavuttamiseksi, sitouttaminen)?
4. Miten verkoston sisäinen viestintä on toteutettu? Miten sitä kehitetään?
5. Mitä ovat tärkeimmä viestinnän välineitä verkoston sisällä?
6. Miten verkoston ulkoinen viestintä on toteutettu (PR, SP…)?
7. Miten verkostoyritysten tuottamien palveluiden laatua valvotaan/kontrollooidaan?
8. Miten saada erilaisten yritysten toimintatavat yhtenäistettyä sellaisiksi, että ne tukevat asetettuja tavoitteita?
9. Miten pitää huolta siitä, että kaikki verkoston yritykset tähtäävät toiminnallaan yhtenäisen brändikuvan luomiseen nyt ja tulevaisuudessa?
10. Miten verkostoyritysten toiminnan jatkuvuus voidaan varmistaa?
11. Miten verkostomainen toiminta edesauttaa brändikuvan luomista?
12. Mitä ovat verkostoyhteistyön kautta saavutetut edut palvelubrändin kehittämisen kannalta (kilpailuetu)?
Appendix 2: Mini-interview questions

Aulanko- brand project

1. Millä tavoin brändistrategia ja sen tavoitteet esitettiin verkoston yrityksille? Onnistuttiinko tässä?

2. Miten verkoston yrityksissä työskenteleviä ihmisiä motivoiin työskentelemään yhtenäisen brändin saavuttamiseksi?

3. Mitä haasteita brändiprojekti on mielestäsi tuonut omalle kohdalleesi tai verkoston yrityksille yleisesti?

4. Mitkä ovat mielestäsi suurimpia etuja, joita verkoston yritykset ovat brändiprojektin kautta saavuttaneet?

5. Mitkä ovat mielestäsi tärkeimpää tekijöitä onnistuneen verkostoyhteistyön kannalta?