



OULUN YLIOPISTO  
UNIVERSITY of OULU

FACULTY OF ECONOMICS AND BUSINESS ADMINISTRATION

**Tiina Niemelä**

**THE COMPONENTS OF CORPORATE BRAND EQUITY IN SMES**

Case EHP-Tekniikka Ltd

Master's Thesis

Department of Marketing

May 2009

Unit Department of Marketing			
Author Niemelä, Tiina		Supervisor Tähtinen, J. & Saraniemi, S.	
Title The components of corporate brand equity in SMEs, Case EHP-Tekniikka Ltd.			
Subject Marketing	Type of the degree Master's Thesis	Time of publication May 2009	Number of pages 111+5
Abstract <p>The aim of this research is to better understand corporate brand equity and its key components in small and medium-sized enterprises by exploring and clarifying the embodiment of the components. This is done by creating a model of the components based on the previous literature on the topic and by deepening the understanding of the phenomenon and framing the model to its final shape with the help of the empirical part of the study. Even though corporate branding and brand equity are current topics of interest together with branding in SMEs, they are topics which have not been previously studied together as such and thus it is seen important to reveal the phenomenon.</p> <p>The study uses abductive research reasoning and the reality in this study is understood as subjective. As the study aims at understanding and interpreting the phenomenon, action-oriented approach is used. In conducting the empirical research, qualitative methods are used especially to be able to describe real life. This is done by using case study and a single case company. Case study method was chosen to be able to reach detailed information about the phenomenon. Case study was also seen appropriate since it is said to be particularly adequate to new research areas, which is the case also in this study. Interviews were chosen for the main data collection method and with them insights were gained from three perspectives: the managing director, the employee and the customer of the organisation. The analysis was done using several themes and in this way the data was sliced into smaller and more understandable pieces. As a result of the analysis, empirically grounded, modified model of the theoretical framework is presented.</p> <p>The findings of the study conclude to a model of components of corporate brand equity in SMEs, together with the description of the embodiment of the components in the case company. The components of corporate brand equity in SMEs are stakeholders, name of the organisation, actions of the organisation, personnel, owner or manager, corporate core values, organisational culture and products and/or services of the organisation. In this study the components are divided into internal and external components. Stakeholders are part of the external component and the other components belong to internal components. The external environment of the organisation and the external components, stakeholders, also include brand equity assets. These assets are corporate brand loyalty, corporate brand awareness, perceived quality of the corporate brand and corporate brand associations. These brand equity assets are not concrete components of corporate brand equity, but relate to stakeholders and are seen in the study as a way for the stakeholders to see and evaluate corporate brand equity.</p> <p>The findings of the study can be used to better understand corporate brand equity and its components in the environment of small and medium-sized organisations. With being aware of the components, organisations have better abilities to take advantage of their corporate brand and to even increase corporate brand equity by affecting organisations' own operations and components of corporate brand equity. When slicing corporate brand equity into components, organisations have better abilities to affect corporate brand equity and to examine the present state of it. As this study was conducted in a small organisation dealing with environmental technology, the findings as such can only be analytically generalised to describe other cases in the industry or in other fields of businesses.</p>			
Keywords Corporate branding, branding in SMEs, corporate image, corporate identity			
Additional information The thesis is part of Corporate Branding Research Project (CoBra) in University of Oulu.			

## CONTENTS

Abstract

Contents

Figures and tables

<b>1 INTRODUCTION.....</b>	<b>7</b>
1.1 Introduction to the topic .....	7
1.2 Justification of the importance of the research topic .....	8
1.3 Purpose of the study .....	12
1.4 Key concepts .....	13
1.5 Research method .....	15
1.6 Structure of the study .....	16
<b>2 CORPORATE BRANDING IN SMES .....</b>	<b>18</b>
2.1 Corporate branding.....	18
2.1.1 The foundation of corporate brand.....	21
2.1.2 Characteristics of corporate branding compared to product branding.....	23
2.2 Branding in SMEs.....	26
2.2.1 Differences between SMEs and larger organisations.....	26
2.2.2 Characteristics of branding in SMEs .....	29
2.3 Actors in corporate branding in SMEs.....	30
2.3.1 The role of the manager .....	30
2.3.2 The role of personnel .....	32
2.3.3 The role of stakeholders, relationships and networks .....	35
<b>3 CORPORATE BRAND EQUITY IN SMES .....</b>	<b>37</b>
3.1 Clarification of the brand equity concept.....	37
3.2 Corporate brand equity.....	39
3.3 The formation of corporate brand equity in SMEs .....	41
3.3.1 External components of corporate brand equity in SMEs .....	42
3.3.2 Internal components of corporate brand equity in SMEs.....	46
<b>4 RESEARCH METHODOLOGY .....</b>	<b>50</b>
4.1 Research method .....	50
4.2 Empirical research design .....	53

<b>5 EMPIRICAL RESEARCH .....</b>	<b>57</b>
5.1 Case company .....	57
5.2 Empirical analysis .....	58
5.2.1 Stakeholders .....	58
5.2.2 Corporate brand loyalty.....	64
5.2.3 Corporate brand awareness .....	66
5.2.4 Perceived quality of the corporation .....	67
5.2.5 Corporate brand associations .....	69
5.2.6 Name of the organisation .....	70
5.2.7 Actions of the organisation .....	71
5.2.8 Personnel.....	73
5.2.9 Owner/manager.....	77
5.2.10 Corporate core values.....	80
5.2.11 Organisational culture .....	82
5.2.12 Product or service.....	86
5.3 Results of the empirical research .....	89
5.3.1 External components of corporate brand equity in EHP-Tekniikka Ltd	89
5.3.1.1	89
5.3.2 Internal components of corporate brand equity in EHP-Tekniikka Ltd	91
5.3.2.1	91
<b>6 CONCLUSIONS .....</b>	<b>94</b>
6.1 Summary .....	94
6.2 Theoretical contributions .....	95
6.3 Managerial implications.....	98
6.4 Limitations of the study .....	99
6.5 Reliability and validity.....	100
6.6 Suggestions for future research.....	103
<b>REFERENCES.....</b>	<b>105</b>
<b>APPENDICES</b>	
Appendix 1 Outline of the interview, managing director.....	112
Appendix 2 Outline of the interview, employee .....	114
Appendix 3 Outline of the interview, customer .....	116

Appendix 4 Themes used in the analysis of the data .....	118
Appendix 5 Embodiment of the components in EHP-Tekniikka Ltd .....	119

## **FIGURES**

Figure 1. The structure of the study .....	17
Figure 2. A holistic understanding of corporate branding (Rode 2004 via Rode & Vallaster 2005) .....	19
Figure 3. Foundation of corporate branding (Hatch & Schultz 2003) .....	22
Figure 4. Stakeholder-based brand equity (adapted from Aaker 1992b and Aaker 1996) .....	44
Figure 5. Corporate brand equity in SMEs from the wider perspective .....	49
Figure 6. Components of corporate brand equity in SMEs.....	93

## **TABLES**

Table 1. Differences between product branding and corporate branding .....	25
Table 2. Differences between SMEs and larger organisations .....	28
Table 3. The interviews of the study .....	55
Table 4. Methods used to improve validity and reliability of the study.....	103

# **1 INTRODUCTION**

This study examines corporate brand equity in small and medium-sized enterprises (SME). The following chapter introduces reader to the subject and the research topic is being argued. Additionally, research questions are announced and research aims introduced. In the end of the chapter, key concepts are being clarified and research method and structure of the study are presented.

## **1.1 Introduction to the topic**

Brands have become widely important and valued not only by customers, but also in the environment of corporations and their audiences, including shareholders, suppliers and governments (Olins 2000, 60). According to Wong and Merrilees (2005), the brand should be the basis of the corporate strategy. This may lead to a sustainable edge over competitors and may help to gain growth and expansion for the organisation.

Brands can be seen as key factors of an organisation (Louro & Cunha 2001), or even as critical elements for the success of an organisation (Wood 2000). Many organisations are aiming to build strong brands for the benefits that may follow (Hoeffler & Keller 2002). With branding organisations may for example increase the financial value of the organisation (Kotler & Keller 2006, 274). Brands are also the key elements for differentiating an organisation or a product from another (Kotler & Keller 2006, 275). Olins (2000, 51) argues that brands are the only intangible assets which organisations do not have to share with others. For the organisation and its actors to be able to utilise the benefits of branding, it is important to know the elements from which brands constitute of and which parts of the branding especially bring value to the organisation.

The value of the brand can be seen as constituting from two different elements: the accounting viewpoint sees brand value as financial profit or value of the brand (see e.g. Biel 1992; Tuominen 2006), whereas the marketing scholars see brand equity as the outcome of marketing actions related to the brand (see e.g. Pitta & Katsanis 1995; Keller 1993). These definitions are, however, only two determinants of the

topic and the terms can be seen in many different ways depending on the viewpoint and researcher. Several approaches have been taken in the literature concerning brand value and brand equity. Since there is no prevalent understanding of the concepts, common terminology and philosophy of the subject are lacking (Wood 2000).

Frequently, brand can be seen as referring to products, but it may also refer to the organisation as a whole, i.e. the brand of the organisation or corporation (Inskip 2004). Corporate branding has risen to interest both in the academic and practitioners' fields (Knox & Bickerton 2003). However, in corporate brand literature there is a lack of empirical research behind the theory (Schoenfelder & Harris 2004). The area has interested researchers, but much of the literature consists of theoretical work.

It has also been concluded that there is a lack of properly identifiable background theory for branding in SMEs and this reflects also the previous research results (Abimbola & Kocak 2007). While branding in SMEs has been a rarely studied phenomenon, it has been noted that branding in smaller organisations differs from branding in large organisations (Ahonen 2008). Abimbola and Kocak (2007) also note that the relevance of branding in SMEs has not been fully explained.

In this study corporate brand equity is understood as consisting of components, which may be inside and outside the organisation. The assumption is that these components make up the corporate brand equity and knowing these components may give the opportunity to examine corporate brand equity in parts. The study examines components of corporate brand equity especially in the environment of small and medium-sized enterprises. The idea of components of corporate brand equity is a totally new assumption about brand equity and thus justifications and theoretical background on the topic as such are not found in the literature.

## **1.2 Justification of the importance of the research topic**

This study is theoretically important for several reasons. Firstly, corporate branding is a current topic of interest (e.g. de Chernatory 2002; Balmer & Greyser 2006), and



scholars have paid great attention to it since the mid-1990s (Balmer & Liao 2007). As early as in 1990s, King (1991) stated the positioning of an organisation as a brand more and more important, and still the area of research in corporate branding is deficient. Distinctions between corporate branding and other branding categories and areas are available (Balmer & Liao 2007). However, most of the studies about corporate branding are based on the knowledge of product branding (Ahonen 2008). It is important to study corporate branding more in order to be aware of the concept and its distinctive features, especially because of the many advantages a corporate brand may have.

Secondly, branding and brand equity have been widely investigated in large organisations, but brand knowledge in SME environment is a fresh topic (Ahonen 2008). Only a limited amount of literature can be found on branding and brand building in SMEs (e.g. Ojasalo, Nätti & Olkkonen 2008; Krake 2005), and several studies acknowledge that very little or no research at all has been done within this area of interest (e.g. Wong & Merrilees 2005; Merrilees 2007; Berthon, Ewing & Napoli 2008; Ahonen 2008). Abimbola and Vallaster (2007) have found the role of positive brand equity and reputation in SMEs as an important question and further research area. Berthon *et al.* (2008) also mention that future research should be directed towards brand management and its effects on brand equity. Furthermore, corporate branding and brand equity are topics, which have not been widely, if at all, connected to the SME literature and research.

Thirdly, the applying of large firm models to the context of small organisations has been criticized (Gilmore, Carson & Grant 2001) and thus it is be important to build models especially for small business environment, including the special features of this particular phenomenon. According to Welsh and White (1981) in small businesses the outlook of managers and the principles used must be different from those of a big organisation. Ahonen (2008) suggests corporate branding issues to be investigated and utilised more in the area of SMEs. According to her, corporate branding has even become one of the recently most discussed phenomena.

There are also more practical reasons for studying corporate brand equity in the environment of small and medium-sized enterprises. Corporate branding is for

example seen as an important source of competitive differentiation (Inskip 2004). It is a resource, which can offer an organisation sustainable, competitive advantage, and it can be critically important to multiple stakeholder groups (Balmer & Gray 2003). Besides its financial value, corporate brand can be beneficial and valuable to the company when building a partnership or recruiting new employees (Balmer & Gray 2003). Indeed, corporate brand seems to be a durable asset having a great longevity. It is also a valuable asset because it is difficult to replicate and this way it is not possible for a competitor to imitate the corporate brand. (Balmer & Gray 2003.) Therefore, it should be considered as a great advantage also in the long run.

In competitive markets, corporate branding can be seen as one of the most important tasks of management (King 1991). A strong corporate brand can provide a number of marketing advantages (Keller 2000, 133). But only if corporate brand equity is carefully build and nurtured – a challenging task (Keller 2000, 135). Also according to Boyle (2003) the value of the brand equity is the reason for being able to create strong brands which offer remarkable competitive advantage.

Measuring and managing brand equity has become more and more consequential in recent years and it is said to be one of the most important topics of marketing in organisations (Cobb-Walgren, Ruble & Naveen 1995). Indeed, the interest in brand equity and its development has increased and different interest groups set more value on it (Ojasalo *et al.* 2008). With brand equity, an organisation may gain several different advantages such as higher stock returns or purchase intentions (Pappu, Quester & Cooksey 2005). In many organisations brand equity might even comprise a big part of the value of the whole organisation and the impact of brand equity to the market value of a company or a product may be significant. For example 55 % of the market value of Coca-Cola was composed of brand equity in 1980. (Simon & Sullivan 1993.)

In SMEs, a strong corporate brand seems to have been recognised as a means of gaining new customers (Ojasalo *et al.* 2008). The amount of SMEs is larger than other organisations, and they constitute the majority of organisations (e.g. Berthon *et al.* 2008; Ojasalo *et al.* 2008). For example in European Union in 2004 in the non-financial business economy 99.8 percentages of the organisations were small and

medium-sized organisations (Eurostat 2008). Thus it seems that it should also be thought as an important area of research from the viewpoint of the society. The advantages of small and medium-sized enterprises for the society are many, including new innovations which SMEs bring to markets, SMEs operating as catalysts in the society, creating new jobs and assisting in the overall economic growth (Reijonen 2008).

Wong and Merrilees (2005) have concluded branding to be relevant for SMEs. If branding is well-defined and incorporated, it can be a powerful and an enabling tool for an SME (Merrilees 2007). With branding SMEs may be able to optimise their business and specialise to the needs of target groups (Berthon *et al.* 2008) and have a better chance in dynamic markets full of competition. According to Abimbola and Kocak (2007), SMEs could also have the advantage of easier entry when introducing new products or entering new markets. With branding SMEs can also create associations, which cannot be easily copied by competitors (*ibid.*). Branding is a means of differentiating and creating sustainable growth, which are both important to small organisations for survival and success. With branding, SMEs may be able to better separate themselves from competitors. Abimbola and Kocak (2007) argue that with branding in market strategy, SMEs are able to positively influence performance and competitiveness of the organisation. According to Inskip (2004), corporate branding is as important to SMEs as it is to larger companies.

Also Abimbola and Vallaster (2007) highlight the importance of branding in enterprises and small businesses as a critical factor in the success in competitive markets. With scarce resources, it should be substantially important to investigate the area of branding in SMEs. With limited resources, lack of reputation and customer base, building a strong brand is a much more serious topic in SMEs (e.g. Boyle 2003; Krake 2005) compared to larger organisations which may have better opportunities to build strong brands due to the ability to use more resources to branding. Because of the continuously and quickly changing markets, SMEs need to constantly look for ways to be competitive and survive (Valkokari & Helander 2007). Concentrating on branding and brand equity building can be seen as a solution for this. According to Keller (2003, 752), with the limited resources of a small business, it could be

beneficial to concentrate on building a corporate brand in order to efficiently build brand equity.

### **1.3 Purpose of the study**

This study investigates components of corporate brand equity in small and medium-sized enterprises from the viewpoint of the organisation. By doing this, the aim of the study is to better understand corporate brand equity and its key components especially in small and medium-sized enterprises. Branding has not been widely investigated in SMEs and this study explores and clarifies the embodiment of the components of corporate brand equity in small and medium-sized enterprises.

The subject is explored through one main and three sub research questions. The questions are:

Main research question: ***What does corporate brand equity in SMEs constitute of?***

First sub question: *What are the internal components of corporate brand equity in SMEs?*

Second sub question: *What are the external components of corporate brand equity in SMEs?*

Third sub question: *What is the embodiment of these components in SMEs?*

The main research question of the study is answered through the three sub research questions. The first and the second sub research questions are aiming to clarify the components of corporate brand equity in SMEs. The answer to these questions is found through both, the theoretical and the empirical part of the study. In the theoretical part the components are found from the previous literature concerning corporate branding and branding in SMEs and the empirical part is used to support and complete the findings from the theoretical part. The third sub research question is answered through the empirical part of the study, as it reveals the previously understudied phenomenon more deeply.

## **1.4 Key concepts**

In academic research, it is important to define the concepts and their meaning in the particular study. Concepts can have multiple meanings depending on the perspective. Each individual may have different view of the concept. These views may also vary in different circumstances and in time. In this chapter, the key concepts of this study are described and explained. The concepts are described as they are viewed in this study. The concepts are described more deeply in following chapters two and three.

### **Brand**

Brands and branding can be defined in multiple ways and the definitions are usually not identical. The brand can be defined differently according to the point of view and situations in hand (Tuominen 2006). In this study the concept of brand is understood as follows. The American Marketing Association (2009) identifies a brand as being “a name, term, sign, symbol or design, or a combination of them”, which has a goal of distinguishing one seller’s goods or services and to differentiate them from competitor’s products or services. Also Wood (2000) defines brands as a way of separating oneself from competitors. In this study this view is not enough, since it can be seen in the study that brands can refer also to corporations. Thus, the definition above has to be supplemented with Keller’s (2003, 3-4) definition of a brand meaning not only products and services, but also retail stores, persons, organizations, places or even ideas. In other words, brand is a distinguishing character or element of a product, service, store, person, organisation, place or idea. It is also important to keep in mind that brand is an intangible asset (de Chernatory 2002).

### **Corporate brand**

Knox and Bickerton (2003, 998) have defined corporate branding as “the visual, verbal and behavioural expression of an organisation’s unique business model”. Corporate brand is the brand of the organisation and thus a wider concept compared to traditional, product brand view. Corporate brand is more diverse concept, but it is still a brand and can be understood through similar elements as traditional product brand. The distinction between product brand and corporate brand is that corporate

brand can encompass a much wider range of associations (Keller 2000, 115). Thus, corporate brand refers to the distinguishing elements of the organisation.

### **Brand equity**

Brand equity is a concept with multiple and diversified meanings. One single definition is hard, if even possible to be given. Nevertheless, it can be said that brand equity is an element creating added value. It builds up only as a result of branding. Brand equity may build up and be build up by comprehensive sound activities or only by concentrating on certain areas of the branding or business. According to Pitta and Katsanis (1995) literature on brand equity concentrates on two views: from the financial viewpoint brand equity is the financial brand value; from consumer perspective brand equity is examined as consumers' behaviour and its impact on the brand. Since this study relates to corporate branding, the perspective should be widened. Thus, in this study brand equity is about external component, stakeholders' views about the brand and its impact on the brand, as well as about the internal components of the brand equity. This is referred to as corporate brand equity. These internal and external components of the brand are discussed later on in the study.

### **Small and medium-sized enterprises (SME)**

According to European Union, the group of small and medium-sized enterprises consist of micro-companies, small companies and middle-sized companies (Krake 2005). The number of employees in these categories varies from 1 to 250 employees (ibid.). The commission of the European Communities (2003) has also recommended small and medium-sized enterprises to have an annual turnover up to 50 million euros, or a balance sheet total of no more than 43 million euros.

### **Core values**

Core values are the guidelines for the organisation and its practices. They highlight a few important elements of the organisation, its vision and mission. Core values should be determined inside the organisation, usually by manager or the owner of the organisation, possibly together with the personnel of the organisation.

## 1.5 Research method

The topic of this study is an under-researched area in branding and therefore the study uses qualitative, theory building techniques to understand the phenomenon better. The aim is towards theory development, rather than theory testing. With qualitative research, the aim is to generate richer and more meaningful knowledge. When the aim is to build further and richer understanding of the phenomenon and to develop theoretical evidence, evidence-based approach can make data analysis more fertile (Abimbola & Kocak, 2007).

This study and the theoretical framework are based on previous literature concerning product and service branding, branding in SMEs and corporate branding as well as brand equity and more general literature about SMEs. Since the area of research is new, the adaptation from multiple sources is inevitable in order to be able to construct a framework. Bernstein (2003) has noted that corporate branding is subsumed in branding, and thus the basics of branding could be available to be used also in the context of corporate branding. Also, it has been stated that the concepts of product and service branding can be viewed as the same as corporate branding, and only the enactment of these are different (de Chernatory 2002). In this study the differences have been noted, and the framework is suitable in the context of corporate branding, not necessarily in other branding categories such as product branding.

The case company of this research is a small organisation concentrating on environmental technology. Data was collected with three interviews which were done during the spring 2009. Two of the interviews were done in the case company, EHP-Tekniikka Ltd. The third interview was conducted with a customer. More detailed description of the methods and the empirical research design follow in chapter four.

This study is part of the Corporate Branding (CoBra) research project of Marketing Department of University of Oulu. The aim of the research is to understand and clarify the role and importance of corporate branding especially in small and medium-sized enterprises. Through the project this study can also benefit as it gives the researcher an access to wider information about corporate branding through other

case companies and increases the knowledge about the topic through other studies in the project.

## **1.6 Structure of the study**

The study forms around six main chapters as is presented in Figure 1 (see page 17). The first chapter introduced reader to the subject of the study and presented an overall picture of the topic and this study. The research problem and research questions were presented as well as the aim of the study. First chapter also shortly introduced the research methodology and key concepts of the study. The second chapter of the study overviews corporate branding and branding in SMEs based on previous literature on the subjects. Third chapter includes more detailed discussion about corporate branding in SMEs, especially concerning corporate brand equity in SMEs. Finally in the end of third chapter the theoretical framework is formed and presented.

A more specific clarification of the research methodology of this study is given in the fourth chapter and after this the empirical research is being presented in chapter five. The data collection and analysis are viewed, as well as the results of the empirical part of the study. The conclusions of the study are presented in the final chapter. The study is summed up, and in the last chapter managerial implications and further research ideas are announced. Furthermore, limitations of the study are evaluated.



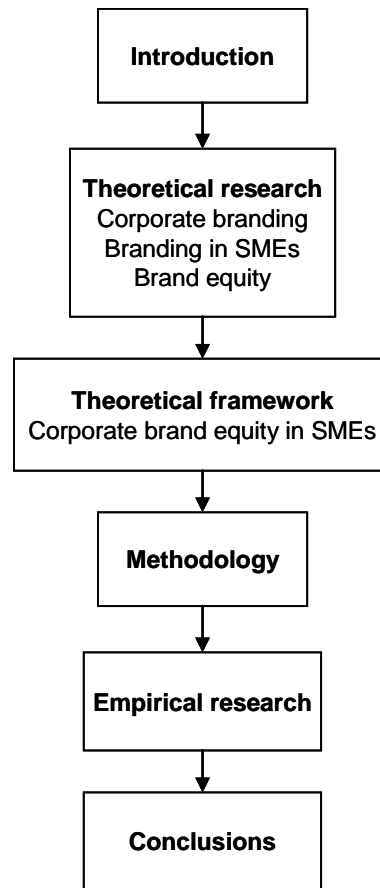


Figure 1. The structure of the study

## **2 CORPORATE BRANDING IN SMES**

Corporate branding is a relatively new, current and more and more significant perspective, as well is branding in SMEs. The aim of this chapter is to introduce the reader more deeply to the world of corporate branding and branding in SMEs.

### **2.1 Corporate branding**

Corporate branding can be seen as a systematically planned and executed process which aims to create and maintain a positive image and reputation for the whole organisation (Einwiller & Will 2002). This can be done by sending signals to all interest groups and by managing the behaviour and communication as well as symbolism of the whole organisation (ibid.). As Einwiller and Will argue, corporate brand can be build, but the other aspect of it is that it will also develop whether someone is building it up or not (Wong & Merrilees 2005).

Olins (2000) well argues for the importance and comprehensiveness of corporate brand building. According to him, corporate brand building is about constructing a new corporate belief system in the organisation. This can be build around products looking and feeling different from those of competitors. Levels of service in the organisation should be designed to support this and environments and communication in the organisation can be carefully crafted to sustain the brand idea. (Olins 2000, 60.) Even though Olins argues that the corporate brand should be build around products, this is not the case in every situation, since the organisation might not even have products, but instead for example services. What is important, though, is that the organisation should try to differ from its competitors in some way.

According to Rode and Vallaster (2005) corporate branding includes the essence and the purpose of the organisation, as well as the culture and character of it. It is a strategic, focused and fully integrated process of the organisation. Rode and Vallaster do not use the terms reputation and image, as do Einwiller and Will (2002), but they say that corporate brand can be seen to constitute from two parts, the identity and the image of the corporate brand (see figure 2). Corporate brand is the sum of corporate identity and corporate image. Identity is the total sum of what the corporation is

about. It is the internal part of the brand, which includes for example the personnel of the organisation. Corporate identity includes also the corporate culture, corporate design, corporate behaviour and corporate communications. These aspects together need to be in line. Corporate image, instead, is the picture of the corporation which resides in the minds of the audience of the organisation, in other words it is the external part of the brand. Corporate image is build in interaction with the audience i.e. target groups of the organisation. Corporate image is an outcome of all the communication between the organisation and its stakeholders. (Rode & Vallaster 2005.)

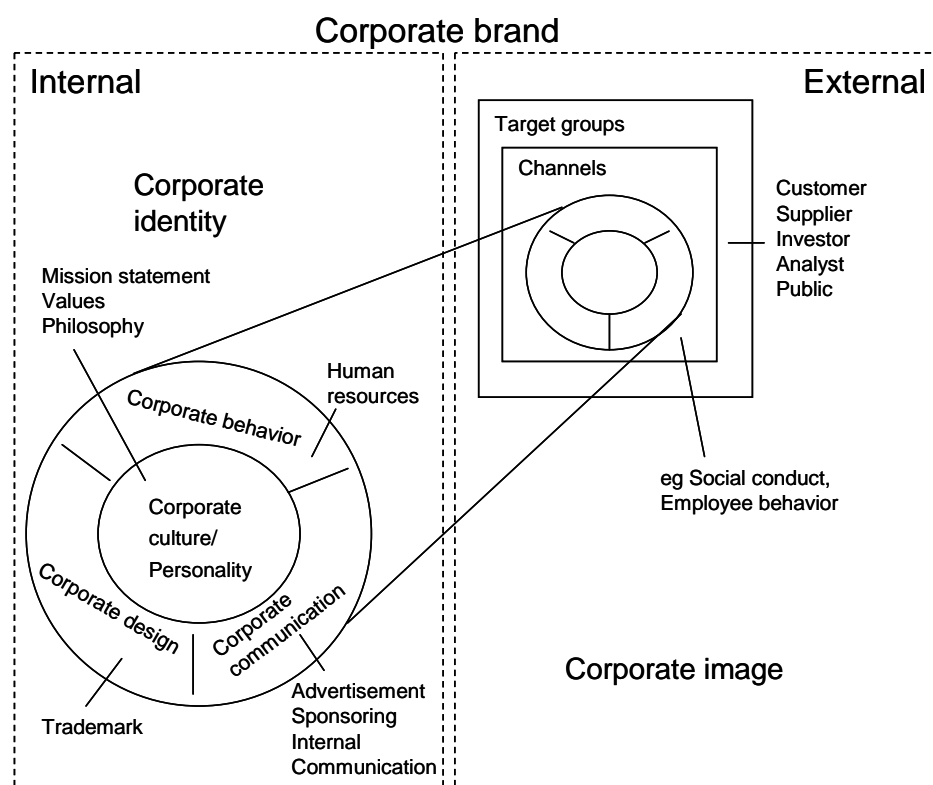


Figure 2. A holistic understanding of corporate branding (Rode 2004 via Rode & Vallaster 2005)

The model of corporate brand by Rode (2004) in figure 2 views well the wide understanding of corporate brand. Indeed, corporate branding is about building the brand with keeping mind the whole organisation, its operations and actions. Corporate branding is about long gestation (Muzellec & Lambkin 2006) which should be done by including the whole organisation, all the personnel, in the brand building process (Bergstrom, Blumenthal & Crothers 2002). Part of the internal corporate brand, corporate identity, are multiple elements such as the personnel,

values of the organisation and forms of communication (Rode & Vallaster 2005). Managing the internal brand elements successfully should result in positive brand reputation (Harris & de Chernatory 2001), in other words to positive image of the organisation.

Balmer and Gray (2003) have defined corporate brand to be in many cases the face of the organisation. The image a stakeholder has of the corporate brand is an outcome of the sum of all the interactions and communications the stakeholder has with the organisation (Davies & Chun 2002). Corporate communication is actually forming the corporate image and the reputation of the organisation through communicating the identity of the organisation to various stakeholder groups (Balmer & Gray 1999). These information sources can be found many, and they form the understanding of the stakeholder about the corporate brand (Balmer & Gray 1999). Especially since communication channels have diversified and the roles of stakeholders are multiple and overlapping (Argenti & Druckemiller 2004) the influence of the whole organisation in branding should be kept in mind to have a successful brand. Also, the boundaries between internal and external parts of the organisation, the relationships between personnel and stakeholders, are nowadays blurring, and the organisation is more transparent and accountable to external stakeholder groups (Hatch & Schultz 1997).

Because of the diverse and complex environment of a corporation and the different relationships it has to its interest groups, corporate brand should be a clear and coherent message which is similar to every group of audience (Olins 2000, 60) to take full advantage of the brand. Corporate branding is largely dependent on perceptions, beliefs and experiences (Balmer & Gray 2003). This can also be seen as a result of its diverse nature. As Keller (2000, 119) has said, corporate brand is not only about the associations connected to a product, but it builds on every association linked to the corporation. If a corporation has strong and powerful product brands, the characters associated to these product brands may also affect the whole corporate brand (Keller 2000, 133).

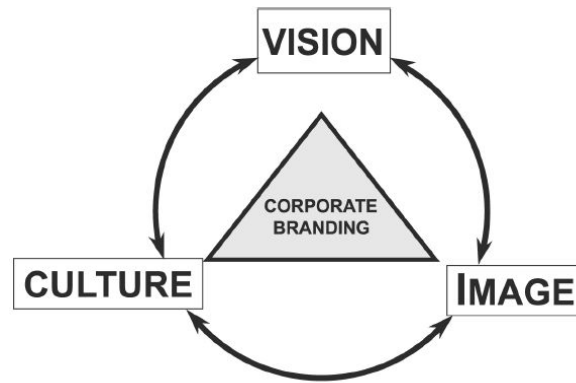
Einwiller and Will (2002) have also highlighted the importance of coherency in communications by saying that it is needed in order to be able to generate a coherent

corporate image and reputation for the organisation. When the whole personnel of the organisation is aware of the brand identity and its meaning, the actions will be more coherent, enhancing and supporting the desired identity of the organisation (Harris & de Chernatory 2001). When the identity of the organisation, the brand and the reputation of the organisation are coherent with each other, branding has the potential of being successful (Abimbola & Vallaster 2007).

Knox and Bickerton (2003) have expressed corporate branding as a continuous process of seeking relevance and distinctiveness and this way guaranteeing its value. The corporation as a brand has to manage itself to all its audiences (Olins 2000, 61). Inskip (2004) mentions corporate branding in large organisations to usually include consultations through the whole organisation, concept generation, research, key stakeholder influence and agreement, execution of the concept and finally a manifestation of the whole process in terms of all visual and verbal areas of the business. This kind of process is a time consuming as well as costly (ibid.).

#### 2.1.1 The foundation of corporate brand

Hatch and Schultz (2003) see corporate brand as constituting from three elements: strategic vision, organisational culture and corporate images (see figure 3). Vision is about what the organisation and its central idea is and what the organisation wants to be, and it is usually an outcome of what are the thoughts of the manager or owner of the organisation. Culture relates to internal dimensions of the organisation and communicating the meaning of the organisation to its members, and the images are the views of the stakeholder groups about the organisation. (Hatch & Schultz 2003.) Thus the model includes three important factors of corporate branding, which are the management, employees and stakeholder groups.



**Figure 3. Foundation of corporate branding (Hatch & Schultz 2003)**

All in all, these three elements, culture, vision and image, separately from each other may not constitute a successful corporate brand, but the attention should instead be paid to the relationship of the elements. These elements form the corporate brand and all together they should be in line with the desired outcome of corporate branding. The promise the brand makes and the performance of the organisations should also be in line to success in branding. (Hatch & Schultz 2003.) Trueman, Klemm and Girourd (2004) agree with this by saying that in corporate branding the link between the actual identity and communicated identity must be honest, and the two should be corresponding for the brand to be successful. In other words, corporate brand should be internally and externally congruent and continuous communication between these interfaces should exist (de Chernatory 2002).

Corporate branding can be seen to be an interactive, dynamic and continuous process between the organisation and its stakeholder groups. According to de Chernatory (2002), the core of the brand consists of the core values specified by management. Boyle (2003) has investigated brand building in the area of entrepreneurship, and according to her the brand can be build on its values. According to Olins (2000, 60) the organisations' reputation is seen to depend on the values of the corporate brand. Urde (2003) has also stated that branding can be based on core values. Mission, vision and organisational values are brought together in the form of core values (Urde 2003). Personnel of the organisation are enacting these values to customers, which interpret and redefine them. This reflects to managers' behaviour and views of the brand and its values. A strong brand is only possible when these stages are in

harmony: managerially defined values, the implementation of them by personnel and customer appreciation of the values. According to Rode and Vallaster (2005) values should be consistently communicated internally and externally to have a successful brand. (de Chernatory 2002.)

As said, corporate brand can be built on core company values (e.g. Hatch & Schultz 2003; Urde 2003). Stakeholder groups should be able to identify with the corporate brand and its values if the brand is wanted to be successful. An example of corporate branding working is when recognisable and expressed values and symbols of an organisation attract stakeholders to the organisation and make them feel as part of belonging to the organisation (Hatch & Schultz 2003). For the corporate brand to distinguish from the brands of others, corporate brand values should be distinguished from the competitors, and this can be done by creating a distinctive brand image. (Kollmann & Suckow 2007.)

According to Rode and Vallaster (2005), corporate culture is at the core of the corporate identity. Thus, the culture is also affecting the brand. Corporate culture includes corporate core values, but it is a wider concept (Rode & Vallaster 2005). It is about practicing the values of the organisation. Thus, culture is strongly embedded in the organisational behaviour. If values and culture are coherent the performance the organisation delivers and the promise the brand makes are in line with each other. This means that the members of the organisation, personnel, are strongly related to the culture of the organisation and its contribution. (Hatch & Schultz 2003.)

The culture of the organisation should support the meaning of the corporate brand. If this happens, organisational culture may be a source of competitive advantage. Thus, culture should be also supporting the core values of the organisation. (Hatch & Schultz 2003.)

### 2.1.2 Characteristics of corporate branding compared to product branding

Most literature on the subject suggests that there is a notable difference between corporate and product branding (e.g. Muzellec, Doogan & Lambkin 2003; Balmer 2001). This section is aiming to clarify and mention some of these differences

supposedly crucial to corporate brand equity building. Comparison is made to product branding in order to understand corporate branding better.

Corporate brand differs from product brand in its extent. Corporate brand encompasses a much wider audience and is based on wider range of associations. (Keller 2000, 115.) Corporate brand is directed not only to customers, but to other groups as well. The audience of a corporation consists of for example employees, shareholders, the financial community, suppliers and collaborators, governments and other regulatory bodies. These different groups may be attached to the corporation in many ways: suppliers may also be collaborators or customers etc. Also, according to King (1991), these groups have different interpretations of what is evaluated as important. (Olins 2000, 60.)

As corporate branding is not only customer oriented (Balmer & Gray 2003), consumers are not the leading power of corporate brand, but instead it is in the responsibility of the manager and his or her ability to see the opportunities of the brand both inside and outside the organisation (de Chernatory 2002). Inside the corporation, the responsibility of the brand should be on the manager or the owner, not on for example the brand manager, as is the case often with product branding (Leitch & Richardson 2003). Concerning corporate branding, there are also multiple communication channels (Balmer & Gray 2003). A corporate brand has many contact points and the diversity of the contact is wider than in classical product branding. In the interface of contact are employees, the community in general, shareholders, government, journalists, customers and many other groups related to the organisation. Communication occasions can range from the most personal, face-to-face contacts to contacts through general publicity. (King 1991.)

The scope of corporate branding is much wider compared to product branding, for example every department of the organisation are responsible for the brand, not only the marketing department. Also a much wider range of dimensions needs to be thought of when building a corporate brand. (e.g. King 1991; Balmer & Gray 2003.) Multiple aspects of the corporation should be included to build a successful brand. The focus of branding is not on one particular product, but on the whole organisation (Hatch & Schultz 2003). In corporate brand building, internal factors of the



organisation, such as employees and their affection are more tightly related to the process (Harris & de Chernatory 2001). Organisation-wide support is needed in building a corporate brand along with the audiences to whom the brand is targeted at (Hatch & Schultz 2003). Also, since the corporate brand building is about the whole organisation and its meaning, the focus is more strategic compared to product branding (Motion, Leitch & Brodie 2003).

The management of corporate branding is management of the internal and external areas of the organisation, much wider from that of product branding. Thus, not every aspect of the corporate brand is in the direct influence of the management (Hatch & Schultz 2003). Corporate brand constitutes from multiple dimensions and in the influence of different target groups, and this is not possible to be managed wholly. But as a counterbalance, in corporate branding the networks of the organisation can be harnessed to a strong and even differentiating element (Knox & Bickerton 2003). Thus, feedback can be used in corporate brand building, and feedback process can be developed to a two-way process between the organisation and its stakeholder groups.

Table 1 below sums up some important differences concerning corporate and product branding.

*Table 1. Differences between product branding and corporate branding*

	<b>Product branding</b>	<b>Corporate branding</b>
Orientation towards	Customers	Multiple target groups, multiple stakeholders
Leading power of branding	Customers	Manager of the organisation
Communication towards	Customers	Multiple contact points
The scope of branding	Usually responsibility on marketing department	Whole organisation involved
The responsibility of the brand	On brand manager	On owner or manager
The focus of branding	On product(s)	On the whole organisation, more strategic view

## 2.2 Branding in SMEs

Abimbola and Vallaster (2007) have argued that branding is one of the critical factors in the success of smaller organisations. Nevertheless, branding has not been largely investigated in the context of small and medium-sized enterprises (Ahonen 2008). Therefore, the aim of this chapter is to point out some differences SMEs face in branding compared to larger organisations as well as some important aspects of branding in SMEs. The comparison between larger and smaller organisations is made here in order to understand branding in smaller organisations better and to find those characteristics typical and important in branding a smaller organisation.

### 2.2.1 Differences between SMEs and larger organisations

Abimbola and Kocak (2007) recognise the many similarities SMEs have with larger companies, but they also highlight some important differences concerning these two environments. The approach of SMEs to branding differs from the one with larger companies in many ways. In SMEs, brand is the key factor affecting reputation of a company, and reputation is also strongly affecting the brand. The brand building process in SMEs is typically more integrative than in larger companies. This means that the whole company is responsible for the brand. (Abimbola & Kocak 2007.)

Compared to large companies SMEs may have a recognisable advantage because of their more flexible structures and processes (Abimbola & Vallaster 2007). Dynamic markets demand for flexible strategies, and SMEs may have the possibility to maintain these. In SMEs the reactions are possible to be made faster and easier than in larger organisations. Ojasalo *et al.* (2008) have found that this is recognised in SMEs and due to this the content of brand should not be too detailed. Abimbola and Kocak (2007) also note that in SMEs the brand building should be an interactive process in addition with innovative development. According to Krake (2005), SMEs have the advantage over larger companies with their flexibility, speed of reaction and decision making and the eye for (market) opportunities. For instance decision making can be much more quickly handled in smaller organisations.

SMEs have significant limitations with their budgets (Abimbola & Vallaster 2007) and they have fewer resources compared to bigger organisations (e.g. Abimbola & Kocak 2007; Ahonen 2008). Limitations of resources in the organisation often relate to both time and money (Berthon *et al.* 2008), but also to the lack of capacity, that is personnel quantity (Krake 2005), as well as to lack of marketing knowledge, lack of specialist expertise and to limited impact in the marketplace (Gilmore *et al.* 2001). Therefore, resources for brand building in SMEs are very narrow (e.g. Wong & Merrilees 2005; Ojasalo *et al.* 2008). Because of the lack of resources, management in small business requires different approaches from those in bigger organisations (Welsh & White 1981). Due to limited resources, SMEs should concentrate on developing creative, targeted and inexpensive approaches for branding, instead of large-scale PR (Ojasalo *et al.* 2008). According to Wong and Merrilees (2005), SMEs can focus on certain potential areas in brand building instead of trying to control the whole area of branding. Regardless of the limited budgets, SMEs can creatively manage and leverage their brands (Berthon *et al.* 2008).

Concerning the different levels of branding (e.g. product and corporate branding), in SMEs it is not often possible to separate these different levels (Ojasalo *et al.* 2008). Empirical research has shown that small organisations realise their limited resources and understand that it may not be possible to build product and company brands separately (Ojasalo *et al.* 2008). Merrilees (2007) has noted that due to lack of resources, SMEs can focus on just one or two brands, for example corporate brand, and run well defined and targeted campaigns. Also Krake (2005) recommends SMEs to concentrate on building only one strong brand. The reason to concentrate on corporate branding instead of product branding is that with corporate branding the organisation may reach wider audience and the corporate brand can be leveraged more (Merrilees 2007).

Ojasalo *et al.* (2008) have investigated brand building in SMEs in the context of software business. Their findings argue that the role of partners is important for SMEs in creating brand name, for without proper partners the naming is both difficult and time-consuming. Another difference concerning branding in small and large organisations, as Krake (2005) argues, is that the influence of the entrepreneur or the leader in smaller organisations is much greater and more direct. Also the brand

is more integrated with the leader in SMEs (ibid.). Different from larger organisations and their influence and abilities to influence, market is often dictating SMEs (Krake 2005). They are more dependent on the market and also guided by it. Also, SMEs have only a small share of the market (Abimbola & Kocak 2007). In all, SMEs are not usually capable of influencing the market.

The following table 2 aggregates the differences between SMEs and larger organisations. A few similarities between the two environments are global and information rich economies, competitive markets which are led by intangibility and rapid innovation diffusions (Abimbola & Kocak 2007). The characteristics of larger organisations as such do not play critical role in this study and since the analysis of them is left aside. As can be seen from the table, differences exist. What is important in the light of this study is the characteristics and viewpoint of SMEs.

*Table 2. Differences between SMEs and larger organisations*

	<b>Large organisations</b>	<b>Small organisations</b>
<b>Similarities</b>	<ul style="list-style-type: none"> <li>- Global and information rich economies</li> <li>- A competitive market</li> <li>- Rapid innovation diffusion</li> </ul>	
<b>Differences</b>	<ul style="list-style-type: none"> <li>- More capacity to use and build teams</li> <li>- Specialists as employees, ability to buy professional services</li> <li>- More resources</li> <li>- Brand building often in the responsibility of certain employees, managers and/or teams</li> <li>- Formal brand building processes</li> <li>- More impact on markets</li> </ul>	<ul style="list-style-type: none"> <li>- Limited teams</li> <li>- Lack of possibilities for specialists and professional services</li> <li>- Lack of resources</li> <li>- More integrative brand building process</li> <li>- Flexibility</li> <li>- Ability to fast decision making</li> <li>- Fast reaction speed</li> <li>- Branding may be an informal process</li> <li>- Limited impact on markets</li> <li>- Influence of the owner/manager strong</li> </ul>

### 2.2.2 Characteristics of branding in SMEs

Often small organisations lack the knowledge base of branding. Supposedly due to this branding in SMEs may often be an informal process with no record of it (Abimbola & Kocak 2007). Small organisations may not think of themselves as brands or if they do, brand knowledge and management is not used in daily operations (e.g. Merrilees 2007; Krake 2005). Inskip (2004) has sketched the process of branding in SMEs to be often controlled by a single person's vision supported by only few key contributors. Usually SMEs do not have a marketing department at all, and the support of corporate branding management at a functional level does not exist (*ibid.*). Due to the central role of the manager or the owner of the organisation, the marketing and thus also branding of the organisation may be haphazard and informal (Gilmore *et al.* 2001).

If branding is an issue in SMEs, it may often have too general and non-specific goals and the goals may not be well, but rather be fuzzy and poorly defined. This is due to lack of skills and resources (Wong & Merrilees 2005). It seems that in SMEs the orientation of the business is to increase sales and this determines the character of their marketing (Krake 2005). The most important goal is often to gain growth in turnover (*ibid.*). Thus, the long term goal of brand recognition may not have as strong role in the SMEs as in larger organisations. SMEs may have a narrow view on brand building, which may be seen to build up only with advertising and by choosing a logo and a name for the brand (e.g. Wong & Merrilees 2005; Ojasalo *et al.* 2008).

Krake (2005) implies that in SMEs the most commonly used marketing communication tools are word-of-mouth, newspaper advertisements, brochures and PR exercises. Ojasalo *et al.* (2008) have also mentioned word-of-mouth as an important part of the communication in SMEs, and they highlight the use of customer references as a means of communicating. It seems that the Internet and its potential have also been fully recognised in SMEs (Krake 2005). According to Ojasalo *et al.* (2008) the Internet has even a strategic role because of the information gathering by customers.

According to Krake (2005) the branding in SMEs should be about cultivating a passion for the brand in the whole organisation in order to succeed in branding. Communication of the brand should be consistent (Krake 2005), as has noted also Ahonen (2008) by saying that coherency in all corporate communications is seen as important for supporting the reputation of the organisation.

### **2.3 Actors in corporate branding in SMEs**

According to previous literature on the subject, corporate brand building demands not only management commitment but the investment of the whole organisation and its actors and the brand building process to be cross-sectional across the whole organisation. This might be more easily executed in an SME environment due to the size of the organisation. Corporate branding as an interactive process with the company and its audience may avail SMEs, who traditionally lack the resources, but to whom interaction is more easily accessible (Ahonen 2008). In fact, in small organisations the brand of the corporation should be effectively and consistently communicated to all stakeholders, including for example customers, suppliers and financiers, in order to build and improve the brand equity (Merrilees 2007).

#### **2.3.1 The role of the manager**

Typically the entrepreneur, owner, manager or the founder of a SME is a key person and has a central and unifying position in the firm (Abimbola & Vallaster 2007). The central person of the company is usually responsible for day-to-day decision making and decision making at large, approach to business, and is also strongly characterising the organisational culture and the management of the organisation (e.g. Abimbola & Vallaster 2007; Berthon *et al.* 2008). According to Krake (2005), when building a brand of a SME the owner of the company is most likely to have an important role. The entrepreneur may even be seen as the brand (Ojasalo *et al.* 2008) and the brand may even be built on the personality of the founder (e.g. Inskip 2004; Krake 2005). According to Aaker (1996, 127) the manager or owner of the organisation can be used as a personification of the brand, that is personalising the corporation. This may for example foster in building relationships with customers, but in this context it can be seen as promoting the relationship building with

stakeholders (ibid.). Krake (2005) has suggested small organisations to ensure that there is a clear link between the character of the entrepreneur or leader and the character of the brand.

In corporate branding, the manager or owner of the organisation is the corporate brand manager (Balmer & Liao 2007) and his or her role has indeed been stressed in the literature (Balmer & Gray 2003). For example, King (1991) mentions that the management of the brand should start from the top of the organisation and the manager or owner is the person who should lead people responsible for the brand. Thus, the corporate brand management requires top management's ideas about what the company is and what it wants to be (Hatch & Schultz 2003). That is more strategic management of the organisation (ibid.). For the corporate brand to be able to renew and change when required, the role of management is inevitable (Knox & Bickerton 2003). In SMEs, it seems that all the elements of corporate identity develop around the leader or founder of the organisation. This means that the leader is strongly affecting the corporate culture, corporate design, corporate communication and corporate behaviour. Consequently, the leader is the role model of the brand. (Abimbola & Vallaster 2007.)

Since the highest management level is responsible for the brand and its management, the owner or the leader of the company decides about branding matters. As a central person and even the personification of the brand, the owner or manager is also the key person in communicating the brand to the outside world (Krake 2005). According to Krake this is more common in smaller organisations because of the greater influence of the owner and the close integration between the brand and the owner. The manager or owner is also often the person clients or customers want to contact (Gilmore *et al.* 2001). Manager or owner of the organisation is representing and expressing the organisation and its associations (Aaker 1996, 127). Merrilees (2007) mentions the use of the entrepreneur in public relations is supported as a way of branding in SMEs. Owner or entrepreneur with good reputation or good brand is able to increase the chance of financial support for the organisation as well as influence the relationships with customers and suppliers. Personal qualities of the entrepreneur may even be used to increase credibility. (Merrilees 2007.)

The manager is not able to manage every aspect of the corporate brand, but sensitivity towards the images that target groups' form of the organisation will help in building and maintaining the corporate brand (Hatch & Schultz 2003). The diversity of the communication in corporate branding demands attention from management (King 1991). Due to the large scope of corporate branding, the management of it is a challenging task, but the aim of this should nevertheless be to build and manage a coherent and consistent corporate brand which includes every aspect of the organisation (ibid.). All the value-adding elements of corporate brand should be coordinated in order to be able to deliver integrated brands (de Chernatory 2002). This includes for instance the management of personnel. The approach in management should be more flexible and less hierarchical, including more informal networking, since this enables rapid response to the corporate brand (King 1991). Also, initiative should be emboldened (ibid.).

The use of specialists in a SME is not common (Berthon *et al.* 2008). Small businesses do not usually have the resources to such professional services as bookkeeping (Welsh & White 1981) and positions such as marketing chief, which are more usual in bigger organisations. Therefore, managers of a small organisation should have a broad thinking of a generalist and be able to switch from role to role in the organisation (Welsh & White 1981). Also according to Gilmore *et al.* (2001) owners and managers of a SME are usually generalists and not specialists. The previous experiences, skills, characteristics and motivations of the manager seem to have an impact on the success of a SME (Watson, Hogarth-Scott & Wilson 1998), thus it seems that the role of manager is also important in corporate branding. Since the corporate identity builds around the manager of the organisation, his or her characteristics and personality are linked with the identity (Abimbola & Vallaster 2007).

### 2.3.2 The role of personnel

Both, the literature on corporate branding and the literature on branding in SMEs highlight the important role of personnel in brand building (see e.g. de Chernatory & Cottam 2008; King 1991; Balmer & Gray 2003; Ojasalo *et al.* 2008). For instance King has emphasized the role of personnel in corporate branding as early as 1991,



when the term corporate brand did not even exist, at least at the same breadth as nowadays. According to King, the choice of buying a brand has everything to do with the people behind the company, personnel. Behaviour, skills, attitudes, design, style, language, communication and many more aspects of personnel will affect the buying decision maker (King 1991). Particularly those employees, who are in interaction with stakeholders, affect the reputation of the organisation and the perceptions of stakeholders with their behaviour (Davies & Chun 2002). This means that the entire culture of the organisation affects the brand choice.

Empirical research has also shown that the role of personnel is important in the brand building process of a SME. Lack of commitment and resistance to change emerge if the personnel of the organisation are not involved. Also, the understanding of the brand and its goals should be clear within the organisation and its employees for the brand to succeed. Davies and Chun (2002) note that stakeholders may form their perceptions about the corporate image through employee behaviour, and thus the perceptions of personnel should be matching with those of stakeholders. (Ojasalo *et al.* 2008.)

Corporate branding can be a goal for the whole organisation, meaning that everyone can participate in cultivating the brand (Wong & Merrilees 2005). To succeed, everyone in the organisation should be aware of the meaning of the brand and the brand should be lived by the employees (*ibid.*). Commitment from every employee in the organisation is needed in order to success in corporate brand building (Balmer & Gray 2003). If employees are aware of the brand's purpose they are in this way able to be inspired and understand how their roles relate to the brand (Harris & de Chernatory 2001). It is said that the brand should be explained throughout the whole organisation, to every member of the personnel, and reactions of the personnel should be taken into account when creating and maintaining the brand (King 1991).

According to de Chernatory (2002), personnel are the embodiment of the corporate brand, one of the key stakeholder groups an organisation has. Personnel should be committed to delivering the brand promise in order for the brand to succeed. It seems that this is important to be noted even in the recruiting process, since personnel are reflecting, contributing to, and presenting the corporate brand and their individual

skills and values affect these phases (King 1991). It should be noted that the personal values the personnel have, have an impact on the brand values. If the personnel understand what the brand is about, they are able to behave accordingly. (de Chernatory 2002.) Not only employees' values, but also their behaviour can have an effect to brand's values. Therefore managers should, after defining brand values, also ensure that employees' values are in consistency with brand values. This can be done by including also employees in the defining of brand values. (Harris & de Chernatory 2001.)

Since the core values have an important role in the corporate brand building, it could be indeed important to acknowledge the role of employees' values as well. According to Davies and Chun (2002) the values of the personnel should be in line with the values of the organisation and the brand for the brand to succeed. This also means that the image and identity of the organisation and the brand should be consistent with each other in order to the values be aligned (ibid.). When the organisation and its personnel have shared values, it leads to perceiving the brand similarly and the personnel are able to communicate the brand consistently (Harris & de Chernatory 2001). This means that the personnel and the organisation should agree which are the values guiding communications and behaviour.

The personnel of the company as a whole are seen to be the ones communicating the brand to the outside world (e.g. Harris & de Chernatory 2001; Balmer & Liao 2007). Nevertheless, the personnel are not only communicating about the brand, but even their behaviour may affect the corporate brand (Balmer & Gray 2003). Employees are the ones building relationships with stakeholders, as well as, with their behaviour and communication, communicating and building up the meaning of the brand (Hatch & Schultz 2003). Due to the nature of corporate branding, which enables organisations to build relationships, stakeholders have the ability to relate to the organisation through its personnel, which is easier than to relate to objects such as products (Aaker 1992a).

### 2.3.3 The role of stakeholders, relationships and networks

Corporate branding builds up interactively with the impact of the organisation and its stakeholders (Leitch & Richardson 2003). Also according to Ahonen (2008), corporate branding is not only a systematically planned process of the organisation, but it indeed evolves in interaction between the organisation and all its stakeholders. The organisation alone is not building the corporate brand, but it does it together with stakeholder groups of the organisation. Two key stakeholder groups of an organisation are its personnel and their customers (de Chernatory 2002). Corporate brand is nevertheless not affected only by customer images about the brand, but all the stakeholders the organisation has have an impact on corporate branding (Hatch & Schultz 2003). These stakeholder groups include employees, customers, investors, suppliers, partners, regulators, local communities and special interests (ibid.). According to the organisation and its current situation, some stakeholders are more important than others (Einwiller & Will 2002).

In SMEs, relationships and cooperation are seen as important elements concerning brand building. Brands can be strengthened with cooperation and communication with a bigger and known actor in the markets and also good relationships within the delivery channel are seen important. Stakeholders can even be seen as partners of the organisation, working together in problem-solving (Halal 2000). For example co-operation with a bigger and well-known organisation can be a reference and increase credibility of the smaller organisation. Relationships with the press are also seen as important to build. (Ojasalo *et al.* 2008.)

Also Abimbola and Vallaster (2007) acknowledge the importance of relationships. They argue that personal relationships or contacts with the audience may be the most important sources of information for the organisation. This leads to better possibilities of an SME to react on the experiences and associations the brand has with audience. Also Valkokari and Helander (2007) have noticed that in SMEs relationships are usually personal. In dynamic environment demanding innovation and being competitive, SMEs may exploit strategic co-operation and networks (ibid.). With the relationships to its customers, an organisation is able to co-construct its brand(s) and use customers as a resource to extend and strengthen brand equity

(Merrilees 2007). In SMEs, manager is often trying to network with customers and potential customers (Gilmore *et al.* 2001).

To SME owners and managers networking actually seems to be natural and they often base their decision making on the networks. Marketing is also done through networking, in other words this means that the manager communicates about the organisation in many ways. From the SME perspective, networking can be seen as a competence of the manager, which is able to be learned and developed. According to Valkokari and Helander (2007), in small business environment the networks are based on personal relationships. Communication exists, more widely than literature has reported, also between competitors. Nevertheless, the co-operation with competitors is done in a cautious way and speaking too freely is being avoided. (Gilmore *et al.* 2001.)

Chapter two has revealed some important aspects of corporate branding and branding in SMEs. Corporate branding differs from product branding for instance in its extent, leading power and the focus on which branding concentrates to. Corporate brand is lead by the manager of the organisation and it is communicated towards multiple stakeholders. Differences between smaller and larger organisations deal with for example capacity, resources and impact on markets. In SMEs the influence of the owner or manager is great, and the organisation may have an advantage over larger organisations for example in its ability to fast decision making. In branding in SMEs, the personnel and stakeholders are also influencing the branding and thus corporate brand equity. Chapter three discusses about corporate brand equity in SMEs.

### 3 CORPORATE BRAND EQUITY IN SMES

In this chapter the concept of brand equity is being clarified and related to the corporate environment as corporate brand equity. It should be kept in mind that definitions of brand equity are based on product and/or service branding. For clarification, it is seen important to first understand the basis of the concept and thus such attention in this research is paid first on the concept in this area. In this study the brand equity is related to corporate brand, and a wider understanding of the concept is going to follow later on. Finally, in the end of the chapter the theoretical framework is presented.

#### 3.1 Clarification of the brand equity concept

Brand valuation is an area of research with diversity. The terms used in the literature vary between researchers and the purposes of them, and there seems to be no single definition about the concepts and their meaning (e.g. Wood 2000; Mackay 2001; Keller 2003, 42). The concepts of brand value and brand equity have not been accurately defined and every researcher seems to have his or her own definition and opinion about the concepts (Winters 1991). Also, the meaning of the terms is and has been influenced by the fact that branding is researched not only in the area of marketing, but also by the accounting domain (e.g. Wood 2000; Tuominen 2006; El-Tawy & Tollington 2008).

The concepts of brand value and brand equity are not only blurry, but have been used crosswise, that is the meanings of the concepts are disorganised and interchanging. Also the language used seems to affect the understanding of the concepts<sup>1</sup>. All in all, brand equity seems to be the term used more frequently in the literature, but in a variety of ways and in different publications it may mean either the financial value of the brand (see e.g. Biel 1992; Simon & Sullivan 1993) or the asset-based, intangible properties of the brand (see e.g. Aaker 1992b, 216; Lassar, Mittal & Sharma 1995; Pitta & Katsanis 1995; Berry 2000).

---

<sup>1</sup> The terms used in Finnish are often translated as follows: brand equity is *brändipääoma*, brand value is *brändin arvo*. However, brand equity is also referred to as *brändin arvo*. (Tuominen 2006.)

Nevertheless it seems that the wider view in the marketing literature sees brand equity from the marketing viewpoint and it has been used more often in this meaning, as an intangible asset which has something to do with for example associations. According to Keller (2003, 42) there seems to be an agreement in the marketing literature that the concept of brand equity should be defined with the help of the uniquely attributable marketing effects which a brand has. Therefore, brand value is more of a financial concept, meaning the financial value of the brand, measurable in money. Brand value can be defined for example as the incremental earnings and cash flows of a brand (Murphy 1989 via Kerin & Sethuraman 1998).

In other words, as El-Tawy and Tollington (2008) have noted, in the marketing domain brand equity is seen as an asset, and not only an accounting term relating to the financial value. Or as Murphy has stated, brand equity is the intangible brand properties of the brand (Murphy 1989 via Kerin & Sethuraman 1998). Also in this study the concepts are seen from this view.

Aaker has defined brand equity as follows: “brand equity is a set of brand assets and liabilities linked to a brand’s name and symbol that add to or subtract from the value provided by a product or service to a firm and/or that firm’s customers.” These assets vary according to the context. (Aaker 1992b, 216.)

Marketing Science Institute defines brand equity as associations and behaviour of consumers, channel members or parent company of the brand, with which the brand is able to earn greater volume or greater margins than without the brand name. These associations and behaviour forges the brand a stable, strong and differentiating advantage compared to its competitors. Brand Equity Board on the other hand defines brand equity as original, trustworthy, current and special promise which the brand offers to consumers. (Keller 2003, 43.)

When thinking about the concept of brand equity, it should also be important to keep in mind the many levels it has. Brand equity may be increased and created for a brand in many ways (Keller 2000, 42). Also, there are many ways to exploit brand equity (ibid.).

### 3.2 Corporate brand equity

Brand equity is a concept which has not been clarified in the field of corporate world. This chapter collects together the few notions about corporate brand equity.

Keller (2000, 115) defines corporate brand equity in the following words: "the differential response by consumers, customers, employees, other firms or any relevant constituency to the words, actions, communications, products or services provided by an identified corporate brand entity". In other words, corporate brand equity is the sum of results formed by any action made under the corporation and its brand. Positive corporate brand equity is build up by promoting the corporate brand to targeted and/or relevant audience (Keller 2000, 115). Every action the corporation makes, affects its brand equity. Merrilees (2007) has noted that by efficiently and coherently communicating the brand to all its stakeholder groups the organisation is able to maximise brand equity.

Corporate brand equity builds on strong, favourable, and unique associations about the corporate brand (Keller 2000, 115). Every intangible association may improve and affect corporate brand equity. Different brand elements may gain different roles and affect corporate brand equity in different ways and in different degree. This means that there is not only one correct way to build corporate brand equity. Nevertheless, every brand element at every level of the brand hierarchy may increase corporate brand equity by creating awareness and building strong, unique and favourable associations. (Keller 2000, 125.)

According to Keller (2000, 118-120) corporate brand equity builds on the grounds of corporate image and the dimensions of corporate image affect corporate brand equity. Corporate image is about products of the organisation, the actions an organisation takes and the manner in which the organisation communicates. Corporate image associations may also be affected by the characteristics of the personnel of the organisation. The whole organisation affects the perceptions about corporate brand and all the actions of the organisation are involved in this perception-making. According to Hatch and Schultz (2003) the images, in the minds of stakeholders, of the organisation as attractive and desirable are expected to influence stakeholder

behaviour in ways that create corporate brand equity. This means that the organisation should build such associations (ibid.). (Keller 2000, 118-120.)

What the organisation does and on what it particularly concentrates in its operation affects corporate brand equity. The organisation has a relationship with the products or services it offers and thus the corporate brand should represent all of these to positively affect its corporate brand equity. Also the internal management of the brand is important in corporate branding, since every employee can directly or indirectly have an impact on brand equity. In addition, the internal management may advance the external brand management. (Keller 2000, 130-135.)

According to Keller there are two potentially useful marketing communication strategies to build brand equity at the corporate brand level: corporate image campaigns and brand line campaigns. Corporate image campaigns are the ways of creating associations to the corporate brand as a whole. Some possible objectives of these campaigns may be for example to build the awareness of the organisation, to create favourable attitudes towards credibility of the organisation or to motivate present personnel. These are tools for increasing corporate brand equity. Brand line campaigns instead are about emphasizing the breadth of products associated with the corporate brand. (Keller 2000, 131-133.)

As has been noted already, corporate brand should be effectively and consistently communicated to all stakeholders in order to be able to build brand equity. According to Rode and Vallaster (2007) every interaction with the stakeholders affects brand equity and increases it as the more positive the experience, the stronger is the brand and the more the organisation has positive reputation. Abimbola and Vallaster (2007) agree with this by arguing the importance of every interaction of the company with its customers and other stakeholders. Every interaction affects the corporate brand equity and has the possibility to make it stronger (ibid.). Corporate brand equity may also be build with activity which is not directly related to the brand, such as charity or environmentally concerned actions (Keller 2000, 121).

Kollmann and Suckow (2007) have argued that in corporate brand equity building the brand name has even more meaning than in product branding. This is because of



the wider audience and the need for the brand name to deliver consistent information about the brand. According to them, brand name is the driver for building brand equity. Also, in the words of Muzellec and Lambkin (2006, 807), “the name is the anchor for brand equity”. Urde (2003) instead highlights the role of core values in corporate branding by saying that the factors linking core values and the corporate brand are pivotal for corporate brand equity building and thus the goal should be to define unique and useful core values which are difficult for competitors to imitate. Also, Muzellec and Lambkin (2006) have noted that the sources of corporate brand equity may not constitute only from corporate brand, but also from other brand hierarchy layers. (Kollmann & Suckow 2007.)

### **3.3 The formation of corporate brand equity in SMEs**

Corporate brand equity management is about managing corporate image, vision and culture in line. In order to success, corporate brand should be coherent and integrated, in other words the image and the identity of the corporate brand should be matching. The messages sent to stakeholders should deliver the same view the personnel of the organisation have about the organisation. That is, the actual identity of the organisation should be in line with the views and thoughts about what the organisation wants to be and what and how it communicates to stakeholders. For the corporate brand to be coherent, every action the organisation makes should signal and communicate in line with what the organisation is and wants to be. It would be ideal if personnel, managers and stakeholders would be all of one mind about the components of brand equity. For the corporate brand to be coherent, it should also be important to acknowledge in the organisation what are the views of stakeholders about brand loyalty, brand awareness, perceived quality and brand associations (see e.g. Aaker 1996). What makes the management of brand equity troublesome is the multiple views of stakeholders. Also, multiple sources of brand equity assets exist.

This study is trying to see corporate brand equity in large scale, and thus both the external and internal components of brand equity are found from the theoretical framework. It seems that the literature on corporate brand highlights the existence of external and internal environment – the image and identity of corporate brand – and thus it seems obvious that also corporate brand equity builds in the external and

internal environment of the organisation. External component of the model is the group of stakeholders as well as in a way the brand equity assets: the views, thoughts and behaviour of stakeholders, also called as brand equity assets in the marketing literature. Nevertheless, in this study the brand equity assets are not understood as an actual component of corporate brand equity, but only as part of the stakeholders, as a way for them to see and evaluate the corporate brand. Internal components, on the other hand, are the components inside the organisation, such as personnel and manager or owner of the organisation.

### 3.3.1 External components of corporate brand equity in SMEs

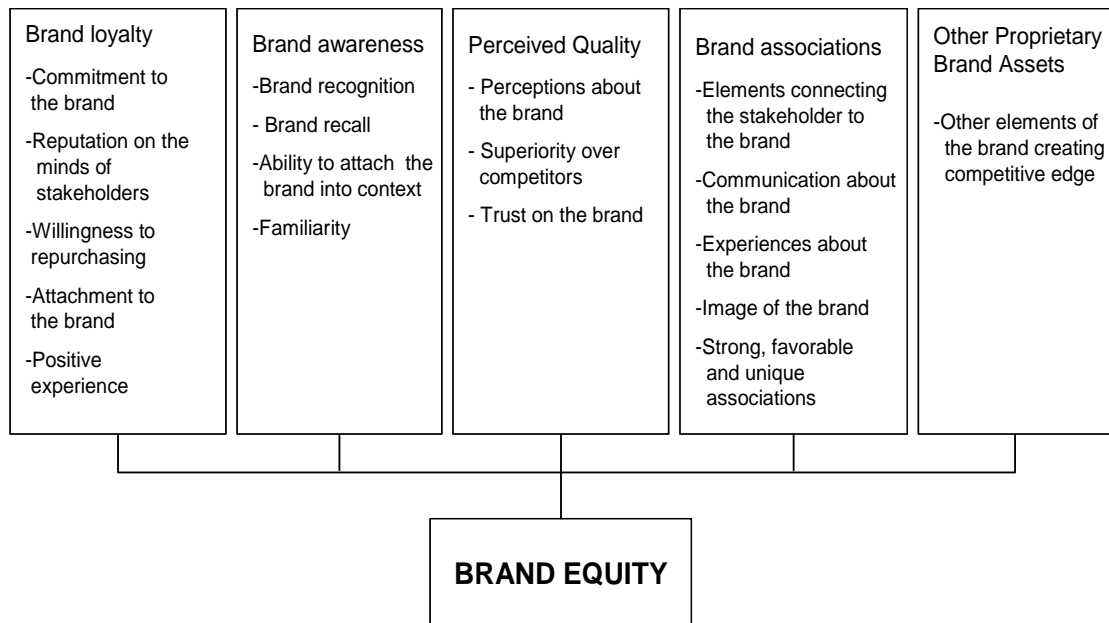
In this study the external component of corporate brand is the group of stakeholders. Corporate brand has not only customers and their views affecting corporate brand equity, but multiple groups of stakeholders and thus they are seen as the external component of corporate brand equity. Stakeholders have an overlapping position concerning the organisation because for example the personnel of the organisation can also be seen as stakeholders, depending on their role in the organisation. For clarification, in this study stakeholders are seen as the external stakeholders, in which personnel are not seen as part of the group. Thus, stakeholders are not concrete internal parts of the organisation, but their influence can be seen as an interaction with the internal parts such as personnel. Stakeholders also have a tight relationship with the organisation. Stakeholders have also a two-way relationship with the organisation, meaning that for example their feedback may be in a critical role in corporate brand equity building. Stakeholders relate to the organisation also through core values, with which they should be able to identify themselves.

Part of the model in this study consists of the brand equity assets, which are not seen as components of corporate brand equity, but as part of the component of stakeholders. The model of brand equity and its assets by Aaker (1996, 9) is frequently being referred to in the literature of marketing. Furthermore, Kotler, Armstrong, Saunders and Wong (1996, 916) agree with Aaker (1996, 9) and define brand equity alike. Thus the model of brand equity assets seems to be appropriate and highlights the essence of brand equity from the customer perspective. The model divides brand equity into five asset categories: brand loyalty, brand awareness,

perceived quality, brand associations and other proprietary brand assets (including patents, trademarks, channel relationships etc.) (Aaker 1996, 9). Keller has also studied customer-based brand equity and similar categories of brand equity can also be found from his conclusions (Keller 2003, 67). The value of the brand, brand equity, is based on the extent to which these categories are strong (Kotler *et al.* 1996, 916). The basis of this model is in product branding.

The asset categories of brand equity by Aaker (1996) are suitable also for corporate brand building. However, since corporate brand building is about managing multiple stakeholder groups and not only customer-based, the title customer-based brand equity is not adequate. The assets in corporate brand building are corresponding but the content of the categories may not be the same. Thus, Aaker's model has been supplemented with some additional features of corporate branding, and this concludes to a new model, stakeholder-based brand equity (see figure 4). It should also be noted that according to the environment, situation and organisation in hand, different aspects and assets of the model may have different and more important roles.

What should also be noted is that in existing literature these elements are referred to as brand equity assets and they are seen as creating brand equity (see e.g. Aaker 1996, 8-9). On the other hand, in this study these assets are not seen as actual components of corporate brand equity, the pieces from which corporate brand equity consist of, but on the contrary only as a way of seeing and evaluating brand equity, in a way part of the stakeholder groups. Thus, these assets are stakeholders' way of seeing corporate brand equity, and not concrete components of corporate brand equity.



**Figure 4. Stakeholder-based brand equity (adapted from Aaker 1992b and Aaker 1996)**

In this study stakeholders are referred to as the external component of corporate brand equity. Part of the external environment is also corporate brand equity assets, which are a way for the stakeholders to see, feel and evaluate the corporate brand. Thus they are seen as being part of the stakeholder group, and not a concrete component of corporate brand equity. The assets are also part of the image of the corporate brand because they are the view of outsiders about the brand. In the same way corporate reputation is also part of this category and is another way to see the corporate brand equity assets. The assets of this model are referred to as external because the sources of these assets are stakeholders outside the organisation. Some elements and examples of the stakeholder-based brand equity are introduced next, from the viewpoint of corporate brand.

### **Brand loyalty**

Brand loyalty is an element of brand equity referring to the loyalty of stakeholders for the organisation and its brand. Stakeholders are loyal to corporate brand, when they have an ongoing relationship with the brand. When corporate brand promise is kept and when stakeholders get what they expected from the organisation over and over again, corporate reputation strengthens (Argenti & Druckenmiller 2004).

**Brand awareness**

According to Aaker (1996, 10), brand awareness is about the strength of a brand's presence in the consumer's mind. In this context it should be thought as the strength of the brand presence in the stakeholders' minds. Brand equity may be built on for example brand recognition (Krake 2005). According to Krake (2005), for example the entrepreneur or the leader of the organisation can have a significant role in brand recognition in SMEs. He or she is a source of inspiration and organisation in the organisation, but also the actual personification of the brand. It should be important to make sure that this is being exploited in the organisation as a source of brand awareness and in that way as a source of brand equity.

Balmer and Gray (2003) have instead highlighted that in corporate branding, the brand name and/or logo are important elements creating brand awareness and recognition, as well as signs of trust and assurance of the organisation. According to Rode and Vallaster (2005) the name, the logo and the slogan of the organisation are part of corporate design. Krake (2005) has noted that creating only one brand is a good way to prevent awareness being fragmented away.

**Perceived quality**

Perceived quality can be build up by showing that the quality is superior to a competitor's (Aaker 1996, 123). As Aaker notes, this may also mean that the aim is towards being the best at what the organisation does. Trust is also part of the perceived quality, thus building trust may enhance the perception about quality.

**Brand associations**

Brand associations are everything which connects the stakeholders to the brand. These include user associations, properties of the brand, operating situations, associations about the organisation or characters or symbols of brand personality, as well as common product attributes together with benefits and attitudes, people, relationships and corporate credibility (see e.g. Aaker & Joachimsthaler 2000, 39; Keller 2000, 133). Especially important in the corporate brand context are the associations about the organisation. According to Beverland, Napoli and Yakimova (2007), at corporate branding level the brand identity is more abstract compared to product branding, and thus also the associations become more abstract. This means

that the associations are based more on intangible components of the business. (Beverland *et al.* 2007.)

Corporate brand, seeing the brand as an organisation, generates organisational associations (Aaker 1996, 116). According to Aaker these organisational associations can be attached to the brand as part of the brand identity. Thus, the two sides of branding should be corresponding; the actual brand identity should be similar to the view of stakeholders about the brand, the brand image. According to Aaker (1996, 117) for the brand to succeed, the brand should be developed so that the associations reflect and are part of the brand identity. Krake (2005) has recommended that as a source of brand equity, SMEs could concentrate on a few brand associations, perhaps on one or two most important ones. The organisation can focus on a creatively-developed marketing program based on these associations (Krake 2005).

### **Other proprietary brand assets**

Other proprietary brand assets are additional elements of the brand which create competitive edge to the organisation. These assets include for example patents, channel relationships and trademarks (Aaker 1996, 8). In this study these assets are left aside and are not considered further, for it is noticed by Lehmann and Winer (2002, 254) that they are tied to a physical product or process and not to the exact brand.

### 3.3.2 Internal components of corporate brand equity in SMEs

Corporate brand equity does not consist only of the external component of the brand and inside the minds of stakeholders of the organisation. Instead, key components can be found especially from the internal environment. These key components are referred to as internal components of the corporate brand because they are more or less inside the organisation and can be affected by the organisation. For this reason the internal components can also be seen as the identity of the corporate brand. Key components are the name and actions of the organisation, personnel, manager or owner, core values and the organisational culture. In some cases also the stakeholders can be seen as internal components of the organisation, because their role may be such deeply connected to the organisation and corporate brand inside the

organisation for example by tight co-operation. This may also be the case if personnel are part of stakeholders. Nevertheless, in this study the stakeholders are seen as external component for clarification. All in all, compared to customer-based brand equity, corporate brand equity is even wider and there are multiple internal components which are critical to corporate brand equity. These internal components are introduced next.

### **The name and the actions of the organisation**

Name and in some cases the symbol of the corporate brand are the base for corporate brand equity. Corporate brand equity builds on these. But not only the name, but also every action the organisation makes affects the constitution of corporate brand equity. Activities of the organisation are the ones which accumulate brand loyalty, brand awareness, perceived quality and brand associations, that is the views, opinions and thoughts about the organisation and its brand. Activities and the name of the organisation can be seen by stakeholders, and they are the base for the perceptions and associations about the organisation and corporate brand. They are usually the first elements of the organisation visible to external audience.

### **Personnel**

The personnel of the organisation have central role in the existence of brand equity, since they are the ones who communicate the brand to outsiders. They also enact core values to stakeholders. Not only has the conscious communication an effect on brand equity but also the unconscious communication and behaviour of personnel in its entirety. Personnel have a great effect on the perceptions of stakeholders about the corporate brand. Thus, the perceptions the personnel have about the brand should be coherent and consistent for being able to increase corporate brand equity.

### **Manager**

The manager or owner of the organisation has the responsibility of the brand and its management. The manager can also be seen as the face of the corporate brand. Manager is usually the one in tight contact with stakeholders and is part of visible aspects of the corporate brand to outsiders. Thus, his or her role is central.

### **Corporate core values**

According to Knox, Maklan and Thompson (2000, 139), concentrating on marketing elements such as image or quality, is not enough. Instead what can be done is that the whole business, including brand and marketing management, can be based on core values, or on unique organisational values, which is the term used by Knox *et al.* (2000, 139). This gives support to the previously mentioned notion that core values are also the base or core of the corporate brand building, and these values are determined by management, possibly together with the personnel. Thus, corporate core values are the starting point of corporate branding and brand equity building. They are the base on which the brand is build on. Corporate core values capture the essence of the organisation.

### **Organisational culture**

Organisational culture builds up from the elements such as the behaviour and communication inside the organisation. It is describing the way the people in organisation act and how they are supposed to perform. It is also about practicing the values of the organisation. Organisational culture should support the meaning of the corporate brand to be able to increase corporate brand equity.

Corporate branding is about attributes of the organisation (Aaker 1996, 82). According to Aaker these attributes are created by the people, culture, values and programs of the organisation. In this study the assumption is that in a SME environment, corporate brand equity building demands for attention concerning personnel, organisational culture and core values of the organisation, as well as the management's role and the impact of stakeholders. Attention should also be paid to the base of brand equity, the brand name or symbol. The theoretical framework (figure 5) describes the corporate brand equity in SMEs as a whole.



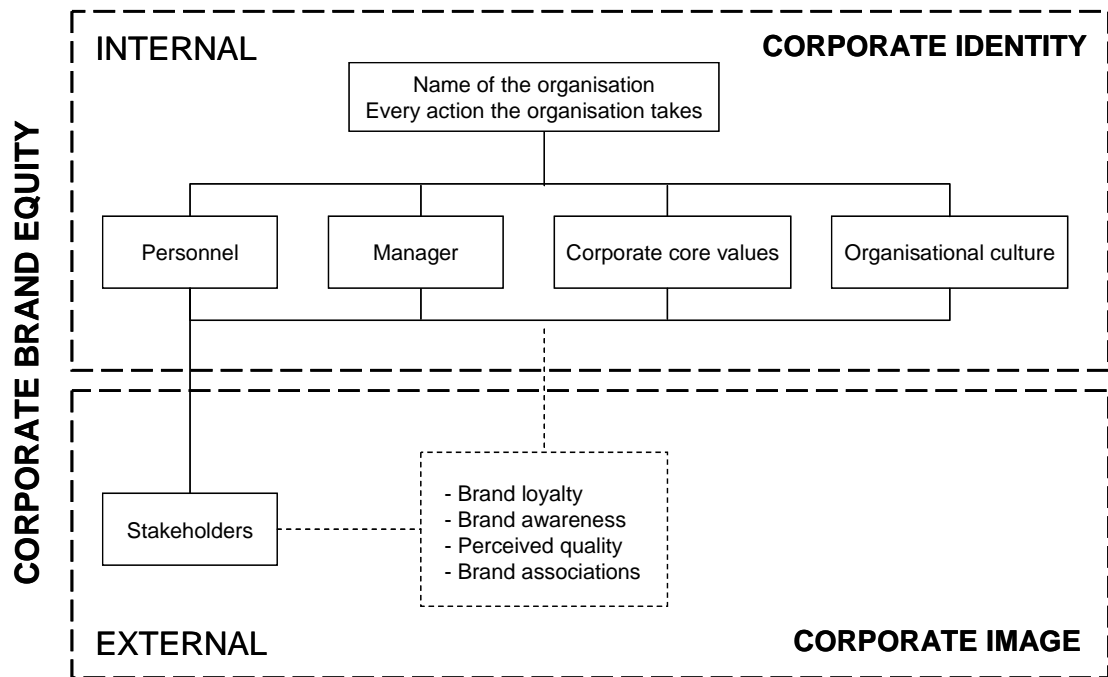


Figure 5. Corporate brand equity in SMEs from the wider perspective

Brand equity building in SMEs should be about logical policy and consistent communications (Krake 2005) in order to benefit from it wholly. Indeed, the brand building and maintaining should be a coherent unity for the corporate brand to be successful. This means that the identity and the image of corporate brand should be corresponding, thus both the internal and external environment and the factors should be in line with each other and all having the same message about the organisation. According to this model, corporate brand equity is the sum of the external and internal components; the sum of the name of the organisation, every action the organisation takes, personnel, manager, corporate core values, organisational culture and finally the stakeholders and their views about the organisation. Together all these make up the corporate brand equity.

## **4 RESEARCH METHODOLOGY**

In this chapter the methodology of the study is presented to the reader. Also, methods of the study and the progress of the study are expressed.

### **4.1 Research method**

Scientific research is always guided by certain guidelines. Researchers have to obey paradigms, laws of doing research (Hirsjärvi & Hurme 1988, 12). Choices and justifications of the study are related to method and methodology of the study, as well as to ontological and epistemological principles. Ontology discusses about the nature of reality by answering to questions such as “what is the nature of the world?” and epistemology on the other hand is interested in the origins, nature and construction of knowing and knowledge (Maykut & Morehouse 1994, 3-4). In doing research, it is important to be aware of and understand the philosophic assumptions (Maykut & Morehouse 1994, 1-3) and their relation to the research and researcher (Eskola & Suoranta 1998, 28).

In this study the reality is understood to be subjective. This means that the researcher is not only an impartial observer, but involved in the research process (Maykut & Morehouse 1994, 19). The researcher cannot have an outside, neutral role. Perceptions and experiences change over time and context and are different for each person (Eriksson & Kovalainen 2008, 13). These affect the way people see the world and certain phenomenon, thus reality is constructed by individuals. In order to understand the social reality constructed by humans, the researcher cannot remain distant in the social phenomenon in hand (Shaw 1999). In a study of small firms, it is seen important that the researcher adopts an approach that allows him or her to get close to the participants, to penetrate their internal logic and to interpret the subjective understanding of reality (*ibid.*).

This study is about studying an understudied area for further theory development. Existing theory from different sources is gathered together and revised to suit the phenomena on hand. Theoretical framework is compared with empirical data and the framework is adapted to better understand the phenomenon under research.

According to Perry (1998), there are two major approaches to theory development among scientific paradigms: deductive theory testing and inductive theory building. The deductive method proceeds from theory to empirical research, testing existing theory with empirical results through hypotheses (Perry 1998; Eriksson & Kovalainen 2008, 22). The inductive method on the other hand builds theory purely based on empirical data, proceeding from empirical research to theoretical results (Perry 1998; Eriksson & Kovalainen 2008, 22-23). Qualitative research is said to often proceed inductively (Koskinen, Alasuutari & Peltonen 2005, 31). However, Perry (1998) argues that pure deduction might prevent the development of new theory and induction on the other hand might prevent benefiting from existing theory. Indeed, these two approaches seldom exist as such (Eriksson & Kovalainen 2008, 23), but are used together and exist both in parallel.

Abduction is a way to combine induction and deduction in one research (Eriksson & Kovalainen 2008, 23). This study uses the logic of abduction, in other words the theory and the empirical part of the study affect each other and develop simultaneously during the research. The theory is over time developed according to what is discovered through empirical fieldwork, as well as through analysis and interpretation (Dubois & Gadde 2002). Through empirical observations yet not identified and unanticipated but related, issues may be found and further explored (*ibid.*). With abduction the researcher is able to expand his or her understanding of both theory and empirical phenomena (*ibid.*). The logic of abduction is particularly suitable for the study on hand, since the logic is well suitable for theory development.

This study is also action-oriented research. The aim in action-oriented research is to increase understanding and empirical part usually consists of few research objects, through which versatile knowledge can be gained (Neilimo & Näsi 1980, 35). According to Mäkinen (1980, 51) in action-oriented research the phenomenon should be examined in its own context. In action-oriented research interpretation has a central role (Mäkinen 1980, 71) and the orientation is towards understanding the phenomenon. According to action-oriented research the researcher has a subjective role and is the one getting information from actual actors in everyday life (Pihlanto

1994). The aim in action-oriented research is to both develop a theory and give practical implications for the case company (Gummesson 2000, 119).

The research method should be in line with the theoretical framework (Alasuutari 1999, 82). Thus, it is important to choose the right methods for the research with keeping in mind the research problem. The characteristics of qualitative research are to gain comprehensive knowledge about the phenomena in natural and distinct situations, to use human being as an instrument of gaining knowledge and to handle the cases as unique (Hirsjärvi, Remes & Sajavaara 2006, 155). In qualitative research the intention is to increase understanding about the operations of the organisations (Koskinen *et al.* 2005, 16), to find or reveal facts and reality, rather than to verify certain statements and to understand the research subject (Hirsjärvi *et al.* 2006, 152). The starting point in qualitative research is to describe real life (*ibid.*). Since the aim in this study is to explore an understudied phenomenon, qualitative research is the right tool for it. Furthermore, qualitative research method has been justified to give a desired level of insight into the world of SMEs (Krake 2005) as it allows small organisations to be viewed in their entirety, permitting the researcher to get close to participants and to penetrate their realities and interpret their perceptions (Shaw 1999).

For the method to be in line with research problem and research questions, case study method was selected in this study. In case study research, research problems are usually more descriptive than prescriptive, and the research problem is a “how do” problem, rather than “how should” problem (Perry 1998). With case study detailed information about the phenomenon can be reached (Koskinen *et al.* 2005, 167). Case study also is a method which allows investigating a contemporary phenomenon within its real-life context, especially when the boundaries between the phenomenon and context are not clearly defined (Yin 2003, 13). According to Eisenhardt (1989) case study method is particularly adequate to new research areas, or research areas for which existing theory seems not suitable. The study and the research problem on hand have such many unexplained and unstudied areas and characteristics, and thus case study research seems to fit the study well. Also, theory development from case study research has important strengths such as novelty, testability and empirical

validity (Eisenhardt 1989). These arise from the intimate linkage with empirical evidence (ibid.).

A single case study can employ an embedded design, to give the chance to have multiple levels of analysis within a single case and in this way extending the analysis and enhancing the insights (Yin 2003, 46). A single case study was chosen for this study since the phenomenon wanted to be seen from two aspects: to explore the thoughts and opinions inside and outside the organisation. With seeing the phenomenon from these two views, it was seen to produce more trustworthy knowledge about the phenomenon. A single case study can be justified for example if the case company is being unique, the case uncovers important information or is being revealed in a way that it gives information about a phenomenon which has not previously been researched (Koskinen *et al.* 2005, 161). The latter is also the reason for choosing case study as a method in this study.

## **4.2 Empirical research design**

Part of case study research is many ways to collect data, such as interviews, conversations and observations (Yin 2003, 85). Interview is a unique data collection method since the interviewee and the interviewer are in direct interaction with each other. Interview is a data collection method, in which a scarcely known phenomenon can be studied with being able to deepen and clarify the answers given about the phenomenon. For qualitative research using methods such as thematic interviews are supported and thus they were chosen for this study also. According to Perry (1998) theme interviews are suitable for a research using the logic of abduction, in which the theory and empirical part are in interplay. In theme interview the subject matters are known, but there is no strict form or order of the questions. Theme interview was chosen for this study also because of it being a method for describing the nature and characteristics of the phenomenon. (Hirsjärvi *et al.* 2006, 155, 193-194, 197; Hirsjärvi & Hurme 2000, 67.)

The theme interview, or the semi structured interview, is a method in which some of the viewpoints of the interview are beforehand defined, but not all (Hirsjärvi & Hurme 2000, 47-48). Thus, the interview proceeds according to certain central

themes, not according to detailed questions (*ibid.*). As the interview is not too guided by the interviewer, also some new and essential facts can occur (Koskinen *et al.* 2005, 104). At the same time the outline of the interview helps the interviewer to maintain the focus in the interview and to keep in mind what is important (Yin 2003, 86). In this study the outlines of the interviews were made in advance according to the themes of the theoretical framework. There were beforehand prepared questions, but the order and shape of the questions changed in the interviews according to what best suited the situation. The themes used in the interviews (see appendices 1, 2 and 3) were the same to all interviewees, as is suggested by Hirsjärvi and Hurme (2000, 48). The interviews were pursuing for free discussion and in this way the knowledge about the phenomenon was also deepened with own opinions and thoughts of the interviewees.

The actual empirical research consisted of three interviews, which were conducted in the spring 2009. As the qualitative research supports for human beings used as an instrument for the data collection (Hirsjärvi *et al.* 2006, 155), the researcher made the interviews. The interviewees were chosen with discretionary logic to represent the different viewpoints of the organisation and its stakeholders, and thus the managing director, the employee and the customer were chosen to be interview. In the selection of appropriate customer for the interview, the researcher got information concerning the customers from the organisation and the selection was affected by this. The customer was chosen for the study on the grounds that it was one of the biggest customers and had been working with the organisation for several years already. Also, the willingness of the customer to participate in the study was one reason for this particular customer to be chosen. The lack of availability of time and other resources of the researcher were one of the reasons why only one customer was chosen to be interviewed. Also, it was seen important that the study would depict not only the thoughts of the customer, but above all the viewpoint of the organisation, and thus the resources wanted to be divided equally for both sources of information.

Before the first interview with the managing director of the organisation, a meeting was arranged between the researcher and Jaakko Seppälä, the chairman of the board in EHP-Tekniikka Ltd. This was a meeting in which some basic information about the organisation was revealed. The meeting lasted approximately an hour and the

researcher made notes about what was discussed. Secondary data was also used in this study. According to Yin (2003, 87) the most important reason for using documents in case studies is to confirm and augment evidence from other sources. Documents can be used for example to verify the correct spellings or to find out specific details to corroborate information from other sources (ibid.). In this study the brochures and Internet pages of the organisation were the most frequently used secondary data sources and they were used at the same time as the empirical research was executed, as well as before the actual interviews to bring more information about the organisation for the attention of the researcher.

The first interview was with the managing director of the organisation, Risto Hiljanen. The second interview was with the employee of the organisation, Markku Määttä and the final interview was with a customer of the organisation, Tarja Väyrynen from Turveruukki Ltd. The interviews were made in Finnish, as it was the mother tongue of all the interviewees. The interviews are presented in the following table 3. All the interviews were recorded for later transcription with the permission of interviewees and also additional notes were made during the interviews. The interviewer had a beforehand made outlines of the interviews with her in the interviews and in this way it was secured that everything was asked from the interviewees and there was nothing left to ask about. Also, additional batteries and pencils were in hand and it was made sure that the recorder was functioning during the interviews.

*Table 3. The interviews of the study*

The interviewee	Time of the interview	Duration of the interview	The interviewer
Risto Hiljanen, Managing director, EHP-Tekniikka Ltd	18.2.2009	1 h 40 minutes	The researcher
Markku Määttä, Project engineer, EHP-Tekniikka Ltd	2.3.2009	40 minutes	The researcher
Tarja Väyrynen, Environmental manager, Turveruukki Ltd	3.3.2009	1 hour 15 minutes	The researcher

According to Shaw (1999), the collection of social data is best conducted in an environment in which the phenomenon naturally occurs. The methods should also be open and attentive for the internal logic of participants (ibid.). This is why two of the three interviews were done in the workplace of the interviewees. One interview was conducted in a neutral environment to have an undisturbed and quiet location and the chance to speak freely.

The interviews were transcribed from word to word after each interview was done. The analysing of the data started as soon as the researcher started collecting the data and it was ongoing until the final sentence of the research was written. Notices made were written to the study or to additional notes used during the analysis. The analysis was done by using QSR N'Vivo, a suitable software program for the analysis. There were a total of 12 themes used in the analysis. These themes are presented in Appendix 4 and the categorising of the analysis in Appendix 5. One theme emerged from the interviews even though it was not found in the theoretical framework. With the help of the theoretical framework and the empirical analysis the intention was to interpret the data extensively and to outline the theoretical phenomenon again (Hirsjärvi & Hurme 2000, 143) and in this way to solve the research problem.



## **5 EMPIRICAL RESEARCH**

In this chapter the empirical part of the research is being presented. First, the case company is introduced to the reader. Following that the description of the data and analysis of it are done, as according to Hirsjärvi and Hurme (2000, 145) the describing of the data is the basis for the analysis. Finally results of the empirical research are revealed.

### **5.1 Case company**

The case company is a small-sized enterprise EHP-Tekniikka Ltd. Company has started its operation in Oulu, in which headquarters are located. The company also has an office in Helsinki. The company was founded around 2000 and it is part of Ecofoster Group. The company operates in Finland, but in the near future the aim is also towards international markets. The company operates solely in business to business markets.

The company employs four people, including the managing director of the organisation. Research and development is strongly done in Helsinki and other operations such as sales and marketing, assembly and maintenance are done in Oulu. The product package of the organisation has been sold since 2006 and from that on the growth of the turnover has been about 40 to 50 percent per year. In 2009 the turnover of the organisation is expected to be around 300 000 to 400 000 euros.

The company concentrates on environmental technologies and its core competence deals with water quality and quantity measuring service and environmental measuring system. The company offers own developed monitoring stations, monitoring facilities and services, which are tailored specifically to customer needs, in particularly to field circumstances which are not stable and constant. Equipment and services fit for example to mining, peat industry, waste management sector, agriculture and forestry. EHP-Tekniikka has customers such as Turveruukki Ltd, Oulun Vesi Ltd, Finnish Maritime Administration and M-Real Ltd.

EHP-Tekniikka Ltd was chosen as the case company of the study since it is a small-sized company and thus fits the theoretical framework which was build to depict components of corporate brand equity in small and medium-sized enterprises. Also, EHP-Tekniikka Ltd was seen to suit the study as it has been operating already a few years and has a corporate brand. The amount of personnel was part of the criteria, and EHP-Tekniikka Ltd was seen appropriate as it has more than one or two people working in the company. It was also seen important that the company operates in business to business markets, as EHP-Tekniikka Ltd does. The company was also seen suitable for the study since it had customers which were willing to participate in the study.

## **5.2 Empirical analysis**

The empirical data of the study consists of three interviews done by the researcher. These interviews are used in the analysis of the study. With the analysis, the aim is to increase understanding about the phenomenon on hand, to deepen the understanding of components of corporate brand equity in SMEs and their embodiment in the case company. The analysis follows the theoretical framework of the study but also adds a new theme, product and/or service, which emerged from the empirical data. Thus, there are a total of 12 themes used in the analysis.

The analysis is done with following the themes of the study, and in each theme the whole data is used all together. Thus, the analysis is done by not separating the interviews as it is seen most important to see the big picture. For clarification the direct quotations used in the analysis are also written in Finnish in the footnote, for that was the original language of the interviews.

### **5.2.1 Stakeholders**

Stakeholders of the organisation in this study include such as financiers, existing and potential customers, tax and permission authorities, resellers, suppliers and accountants. Some relationships the organisation has are more lasting and continual, some are only separate transactions. In analysing the importance of stakeholders such necessary groups as financiers, authorities and accountants are paid smaller attention

in this study. Customers seem to be the most important stakeholder group within this organisation. There has also been co-operation with local entrepreneurs in the field of marketing, and co-operation exists also with some suppliers, but it seems not as important and extensive as the co-operation with customers. The co-operation in marketing has dealt with marketing materials made for seminars and brochures, as well as business gifts and Internet marketing. The co-operation with suppliers consists of finding solutions for the customers of EHP-Tekniikka Ltd by using certain components of suppliers. There exist a few of this kind of suppliers, but usually the buying of components is solely a single transaction for EHP-Tekniikka Ltd.

For the organisation finding the new customers includes ways such as marketing in Internet and personal selling. Personal selling is done by having in the organisation people which have experiences from different sectors and also by actively following the media in case of suitable projects. The customers usually find the organisation by having heard from it from a friend or a friends' friend, and thus it seems that word-of-mouth communication is important for the organisation.

When dealing with existing customers phone and e-mail are the most common ways to be in contact, along with personal meetings usually happening in the field. Some relationships with the customers can be more or less friendly because they have been built in a way that there are certain persons to be contacted with. This is done because of the specific and complicated technology involved. It is seen as beneficial to both the organisation and customers when certain facts do not need to be taught over and over again. According to the managing director of EHP-Tekniikka Ltd, the relationships are lasting and honest. The co-operation with certain customers indeed seems tight, including continuous co-working together, such as designing and finding solutions to customers' needs. The customer also sees the relationship as committing, because of the complex technology and continual maintenance services.

“...development work has been done together in a way that we have told our experiences and they have then developed their product or product selection according to customer needs.”<sup>2</sup> (Customer)

With existing and new customers part of the co-operation is the mutual designing and solution finding for the needs of the customer. Thus, the organisation offers the customers an overall problem solving and not only device for measuring. This is a tight co-operation which includes many rounds, teaches both the customer and the organisation and is done together by them. Being in contact with the customer also includes maintenance meetings and it is indeed continual. According to the managing director, there is a kind of marriage between the organisation and the customer because the co-operation and being in contact is continual. With existing customers the organisation is in contact with at least once a month by phone or e-mail, if not in person. The organisation is not only contacting the customers, but also the customers are in contact with the organisation.

It is said by the managing director that the organisation wants to convey the image of the organisation to existing and potential customers, as well as to other actors which advance the sales of the organisation. However, it seems that the organisation does not put an effort to communicate about the organisation to existing customers, excluding the selling, but wants to reach only potential customers. This is also noticed by the customer, who seems to want more communication and information about the organisation and even flyers and advertisements of the organisation would be gladly seen. The maintenance of the relationships with existing customers seems to be about renewing the contracts yearly, and nothing else. Feedback is asked from customers, but it is, if not totally, at least for the most part concerning only products and anything related to them. According to the managing director the feedback has been mostly positive and in his words it can be seen for example in a way that the organisation has not lost any of its customers needing the solutions. Feedback is said to affect strongly in the organisation as it is said to guide the actions. If customers have something to ask about, the question is answered as soon as possible. This is also acknowledged by the customer, who sees the organisation as customer oriented.

---

<sup>2</sup> “...kehitystyötä tehty siinä mielessä yhteistyössä, että kerrottu niitä omia kokemuksia, he on sitten kehittäny sitä omaa, tuota tuotettaan tai tuotevalikoimaa sitte vähän niinkö asiakaslähtöisistä tarpeista.”

The personnel see most customers as one of the most important factor concerning the visibility of the organisation because existing customers spread information about the organisation. Also according to the managing director the reputation is based on the thoughts of the customers about the organisation. When customers are satisfied, they built the reputation of the organisation within the potential customers and market the organisation by telling about it to potential customers. Because of this it is seen extremely important by the personnel that no customer gets an impression about the organisation as being not able to do what is promised. The impression the customer has about the organisation seems to be twofold; on the other hand the organisation is seen by them clearly as an innovative developer and then it is also wondering, because of the products being new, if certain directions are thinking the products are not yet trustworthy. This seems to be, however, just a thought what others may think about the organisation.

“...existing customers, when they are happy. They then spread the word and in this way many of our new customers have been in contact with us, because customers talk to each other and spread the information about us, market our organisation.”<sup>3</sup> (Employee)

The customers are also seen as to act as a reference and in this way affect for example the gaining of new customers. In this way existing customers affect potential and new customers. Some customers for example insist seeing the reference first, before willing to negotiate about co-operation in any way. According to Turveruukki Ltd, EHP-Tekniikka Ltd has gained already some significant actors to its reference list. The customers acting as a reference have an important effect on the organisation by telling about the organisation and its operations to others. In this way they can act as advancing the sales, or on the other hand as a barrier. The importance of customers as references is also acknowledged by the customer, who is often asked about the organisation and its products. When co-operation with certain organisation goes well, this tells also to other organisations that EHP-Tekniikka Ltd is a potential organisation to do business with. According to the managing director, this is seen

---

<sup>3</sup> “...jo olemassa olevien asiakkaitten, kun ne on tyytyväisiä. Niin ne levittää sanaa, niinku mejän uusia asiakkaita on nyt paljo tullukki että ne on, asiakkaat juttelee keskenään ja levittää mejän tietoa mejän puolesta, ne markkinoi mejän yritystä.”

especially important for example when starting business in a new business field with new customers.

“And in this way it has of course been made up then in the eyes of new customers, I mean we have been able to sell then with the imagined, good image of ours to similar kinds of operators, to new customers our products, services, systems. Good example is the mining industry. In 2005 we started co-operation with Pyhäsalmi Mine and have in our own opinion been able to make it work quite well and the customer has also been quite satisfied, well satisfied, and in this way we have built ourselves a reference and also credibility then in the eyes of new customers in the mining industry, like these mines which are running now in Finland.”<sup>4</sup> (Managing Director)

In the organisation it is believed that customers see them as a fast actor who takes care of what it promises to do and maybe even a bit more. It is believed that the organisation has quite good reputation. The managing director believes that the impressions about the organisation have not changed when time has passed, only in a way that now there are more those aware of the organisation. This is also acknowledged by the customer. What is essential according to the managing director is that the reputation has to be flawless and customers cannot be left thinking whether the organisation is able to do what is promised. According to the managing director, the organisation exists to serve the needs of customers. It is interesting to note that the role of customers' as such important factor concerning the image of the organisation is such highly acknowledged and still the maintenance of relationships seems not to take into account this.

In the relationship between EHP-Tekniikka Ltd and Turveruukki Ltd, the co-operation seems to build to a win-win situation, where both parties benefit from the relationship. For example the customer says for them there is a twofold benefiting; the practical one where EHP-Tekniikka Ltd may ease their operations, and on the other hand the image of Turveruukki Ltd may become better due to the device of EHP-Tekniikka Ltd. This may also be the reason for the relationship to be such tight,

---

<sup>4</sup> ”Ja sitä kautta on tietystikin myöskin rakentunu sitten uusien asiakkaitten silmissä eli on pystytty sitten myymään sillä meijän kuvitellulla, hyvällä mielikuvalla niin vastaavan tyyppisille toimijoille, uusille asiakkaille siis meijän näitä tuotteita, palveluita, järjestelmiä. Hyvä esimerkki kaivosteollisuus: 2005 aloitettiin Pyhäsalmi Minen kanssa yhteistyö ja on saatu se vasta toimimaan omasta mielestämme ihan hyvin ja se asiakaskin on kohtuu tyytyväinen ollu, varsinkin tyytyväinen, ja sitä kautta on sitten saatu rakennettua niinku itellemme referenssiä ja myöskin uskottavuutta sitten uusien kaivosteollisuusasiakkaitten kanssa, kuten näitä uusia kaivoksia mitä nyt pyörii Suomessa.”

lasting and flexible. The organisations are in contact at least once in two weeks. According to the customer, the managing director of the organisation was one of the reasons to start the business, and thus it seems that personal connections to stakeholders benefit EHP-Tekniikka Ltd. The relationship between the organisations is the kind where solutions are mutually thought about and together problems are fixed. Things can be discussed without having to prettify the message. This is seen as an important part of the co-operation, being able to speak straight. This may also well be the reason why Turveruukki Ltd sees the products and the organisation recommendable to others as well. According to the customer, the relationship is unique in a way that the organisation does not have this kind of tight, developing and experimental relationships with others.

According to the customer, everyone in their organisation knows the people in EHP-Tekniikka Ltd and vice versa. The relationship being such tight and unique seems to be a reason for unique co-operation between the organisations as well. Turveruukki Ltd is currently planning a new venture with which EHP-Tekniikka Ltd is part of. This is a collaborative project about a totally new environment, and it is the aim of the project to increase the visibility of the organisations as well as to better the images of the organisations. The customer sees them as being part of brand building in EHP-Tekniikka Ltd as they are involved in their operations through supporting and spreading the information about the organisation. The aim of the co-operation in general seems to be for Turveruukki Ltd to ease their operations also.

“But in my interest is that indeed these devices of Risto would come into use more generally also and that it would also ease the operations in our field of business...”<sup>5</sup> (Customer)

It seems that the more tightly the relationship and the co-operation, the more the parties of the relationship are willing to yield for each other and are able to develop something new. And this is not the only benefit from stakeholders to the organisation. Conversely, it seems that stakeholders form an important role concerning the organisation and its corporate brand and can indeed be said to be a component of

---

<sup>5</sup> ”Mutta minun intresseissä on, ois se, että tosiaan, että nämä Ristonkin laitteet, nää tulis yleisemmin käyttöön ja että niitä tällä alalla, et se niinku helpottas sitten tätä, mm, meidänkin alan niinkun toimintaa...”

corporate brand equity. They affect the reputation of the organisation in many ways such as being a reference or shaping the operations of the organisation. What should be noted is that stakeholders are nevertheless a different component than the other components inside the organisation because of being outsiders of the organisation and thus not in the direct influence of the organisation.

### 5.2.2 Corporate brand loyalty

Signals of brand loyalty can be found easily in the case of EHP-Tekniikka Ltd and its relationships to customers. In the organisation it has been paid attention to that the reputation of the organisation seems to link to stakeholders and their opinions. In the organisation the way to affect its image is done by keeping the promises made to customers, as the theory already suggested previously. EHP-Tekniikka Ltd tries to offer customers a quality service and is indeed customer oriented. The reputation is tried to build on with the work of good quality and a fast reaction for customers needs. Besides good quality and fast reaction speed, the organisation tries to communicate to customers an image of a trustworthy organisation. The managing director believes this is already true in the eyes of customers. It is believed in the organisation that customers are satisfied to the organisation. Feedback has been the kind which it is wanted to be.

“...it should be thought about us that we are a trustworthy deliverer who keeps the promises it makes. I do already believe this is what the customers think of us and this of course has to be the case also in the future.”<sup>6</sup> (Managing Director)

The relationships between the customers and the organisation seem very continual and it is said by the managing director that the organisation has only lost customers if those customers have not needed the services offered by the organisation any more. Otherwise the customer relationships are lasting and no customer has been lost. It seems that certain relationships are such that when the relationship develops, more and more co-operation is done between the organisations. This is the case also with Turveruukki Ltd, and it is also noticed in the organisation that the co-operation is

---

<sup>6</sup> ”...pitäis ajatella että ollaan niinkö luotettava toimittaja, joka pitää sanansa. Ja tekee sen minkä lupaa. Kyllä mä nyt kuvittelen että ne sitä nytkin ajattelee ja niin pitääkin tietysti ajatella jatkossa.”



indeed binding. With being able to offer customers solutions for the problems, the organisation believes having a positive effect on the image of the organisation. The co-operation consists of mutual learning, which is not only binding but also gives additional value to both parties of the relationship. What seems also binding in the case of Turveruukki Ltd and EHP-Tekniikka Ltd is the length of the co-operation. When organisations have been co-operating such a long time, it seems important to keep the relationship going on.

“...maybe exceptional also in a way that we don’t develop and try this kind of new with other device producers but with EHP-Tekniikka Ltd.”<sup>7</sup> (Customer)

The managing director also highlights the role of products and their functioning and quality as being part of the reputation. Thus it can be said that the actual quality also has an effect on the perceived quality and is part of it. The customer has noticed certain happenings which seem to be important concerning the reputation of the organisation. Part of this is the experience with the previous employee in the well. Thus, it can be said that positive experience is also found in this study as affecting the whole picture of the organisation.

It seems that there is brand loyalty towards EHP-Tekniikka Ltd and its corporate brand. The relationships to customers are continual and based on mutual co-operation. In the organisation it is kept important to keep the promises made to customers, and the organisation indeed have a reputation of being customer oriented in their work. The attachment to the brand seems strong and this may well be partly because of the complex technology and the need for maintenance and overall service concerning the device. Through customers being satisfied, it also seems that the reputation has the ability to better because of the important role of customers as increasing it.

---

<sup>7</sup> “...ehkä niinku poikkeuksellisetkin siinä mielessä että, et me ei ehkä muiden laitetoimittajien kanssa sitten tämmöstä uutta niinkään paljon kehitetä ja kokeilla kuin mitä EHP:n kanssa.”

### 5.2.3 Corporate brand awareness

This study confirms the previous notions about brand awareness but some new information was also found. The name of the organisation in written is first of all mentioned as telling about the organisation and its operations, and it was several times connected to the corporate brand. Thus, the name and the slogan, since the name is mentioned as written, increase the awareness of the corporate brand. Parts of awareness are also the employees and the managing director of the organisation. It seems that depending on who is communicating with the organisation, the most visible person may be different, and in this way not only the managing director is visible to outsiders of the organisation. Customers are also part of increasing the corporate brand awareness, not only acting as a reference, but also as increasing the knowledge about the organisation and acting as a presenter of the products and services of the organisation, which are also part of the visibility and awareness. With the help of customers, more and more people are aware of the brand as customers tell about the organisation to their customers and others outside the organisation.

The ways in which the organisation pursues to increase and maintain the awareness in this case are most of all personal selling, marketing in Internet and certain events and seminars, in which the organisation takes part. It is said by the managing director that the aim of all communication is to increase the awareness of the organisation. The organisation has also done co-operation concerning the marketing of the organisation with local entrepreneurs. The most important way of increasing the awareness seems to be the personal selling and marketing of the managing director. It is said that in the last years the awareness of the organisation has increased and there are more people now aware of the organisation and its operations. According to the customers, the ways in which the information about the organisation can be gained are internet pages of the organisation and personnel.

“In a way, we have discussed in person, we have been indeed in an open interplay with each other (with the employee).”<sup>8</sup> (Customer)

---

<sup>8</sup> ”Et tavallaan niinku henkilötasolla on keskusteltu, oltu hyvinkin tällain, sanotaanko tämmöessä avoimessa vuorovaikutuksessa (työntekijän kanssa).”

The present state of brand awareness is not easily seen in the study because there was only one customer being interviewed and only her opinions concerning the awareness are revealed. To find out the actual state of awareness, there should be more customer interviews to see the whole picture. Nevertheless, some notions can be made on the grounds of this research. It seems that the customer in hand has high brand awareness concerning the corporate brand of EHP-Tekniikka Ltd and this is obviously because of the tight and long lasting co-operation between the organisations. Thus, because of the relationships also in more general being tight with other customers as well, it could be said that the brand awareness seems high also more generally among customers. As the organisation is not advertising and the marketing concentrates mostly to personal selling, it can be said that the awareness is due to this also. Furthermore, it seems that in this case the awareness is build among customers of the organisation, and it is also said by the employee that in his belief the corporate brand exists among certain customers, and nowhere else.

#### 5.2.4 Perceived quality of the corporation

In the organisation, which seem to be the assumptions about perceptions of the organisation in the minds of customers are a deep and versatile know-how and experiences, being a trustful supplier of device and service, keeping its promises and having a good quality, price, time of delivery as well as the technical know-how. These are the characteristics which would gladly be seen by the managing director to be linked to the organisation. It seems that part of the perceived quality is also the actual quality of products and services. It is said both by the managing director and the employee that the reputation and perceptions about the organisation have been earned by hard work and the service and product being of a good quality.

“...with your own work and appearance the reputation is made such.”<sup>9</sup>  
(Employee)

In the case of corporate branding, reputation seems to be part of perceived quality also because it is related to the perceptions about the organisation. It is believed in the organisation that the reputation is quite good. According to the managing

---

<sup>9</sup> “...tehdään sillä omalla työllä ja olemuksella se maine sellaiseksi että.”

director, part of this are the perceptions about the organisation as being trustworthy, the work being of good quality and the work done quickly, the reaction speed being fast. The perceptions about the corporate brand are being affected in the organisation with these actions. It is believed that customers see the organisation as doing what it promises. The distinguishing features of the organisation according to the managing director and the employee include such as the easiness and usability of products, reliability and the deep know-how.

According to the customer, on the other hand, the organisation is seen as dealing with interesting area of business, as innovative and developing and as uncomplicated to work with. The products of the organisation are seen as developed for extreme conditions and even though they can never be said to be absolutely sure, they are seen as very well and far developed and tested and can be recommended to others also. There seems to be a bit of doubt concerning the organisation, but first and foremost the organisation is seen as trustworthy and reliable, and the customer sees the relationship between the organisations as unique in a way that the customer does not build this kind of deep and tight relationships to many others.

“...these kind of cross-country mobiles, observation devices, it is an interesting topic. Even as a topic, since it is creating new, developing...”<sup>10</sup> (Customer)

All in all, it seems that the study also supports previous notions about the perceived quality. There can be found many perceptions about the organisation and they are linked to different sides of the functioning, such as the quality of the service or the unique characteristics of the organisation. There can be found distinguishing features and the organisation is seen different from its few competitors and such superior that there may not even be potential competitors. There seems to be trust on the organisation as well.

---

<sup>10</sup> ”...tämmöset maastokelposet mobiilit, tarkkailulaitteet, niin sehän on, se on niinku mielenkiintoinen niinkun aihealue. Ihan noin aiheenakin, se on kuitenkin tämmönen uutta luova, kehittyvä...”

### 5.2.5 Corporate brand associations

The associations about the corporate brand seem not to be clear in the organisation and among its stakeholders and there exists many views about the organisation. Thus, it can be said that the ideal idea of matching the identity and the image of the organisation with corporate brand associations does not seem to fit to the case company on hand. This may well be because of the lack of clarifying the ways and principles of communicating, as well as the message communicated to outsiders of the organisation.

What are then the associations about the organisation? According to the managing director, the organisation can be attached to associations such as quite a good reputation, fast and reliable actor, qualified work, trustful, customer oriented and overall solution finder having a deep and versatile experience and know-how. According to the employee, instead, the following associations are found: the organisation is seen as a solution finder, having a good reputation in its own business area, the products being easy to use, the solutions being affordable. The employee of the organisation does not see himself as affecting to the associations about the organisation. According to the managing director these associations are nevertheless created through personnel, as well as through products and services, deliveries and every action happening inside the organisation.

“That is, every operation done in this house which is seen outside.”<sup>11</sup>  
(Managing Director)

According to the customer the organisation is seen as developing, entrepreneurial, small, interesting, innovative, dynamic and ongoing as well as taking up gauntlets and even being a bit risk taker. Some of these associations also personify to the managing director of the organisation. There are also some thoughts which are a bit doubtful, for example concerning the future of the organisation and thus there seems to be a need for a better and more informative communication according to the customer. There is this certain event with the employee in the well which has raised strong associations about the organisation as doing what is necessary for customers.

---

<sup>11</sup> ”Siis kaikki toimenpiteet mitä tässä talossa tehdään jotka näkyy ulospäin.”

All in all, the organisation raises positive thoughts in the mind of the customer and she sees the corporate brand as blue and fresh.

“These are, so to speak, very positive thoughts.”<sup>12</sup> (Customer)

It is kept important in the organisation that customers do not get the impression about the organisation as not knowing what to do and not being able to do the work. However, the communication about the organisation has not been clarified and concentrated on the minds of the personnel, and thus the associations according to the customer are not similar compared to those inside the organisation. There seems not to be a clear vision and intention for certain associations even though associations are seen as the ones selling. The only way to affect the associations in the organisation seems to be the principle to do the work properly, to get things done.

#### 5.2.6 Name of the organisation

The name of the organisation is seen as a possible development target in the case company. There have been discussions about changing the name, but a conclusion of a better name has not been found. The name is understood not to suit for international markets and it is seen not as being on up to date. Thus, it seems that the name of the organisation is seen important in the case company. Also, possibly somewhat subconsciously, the name is equated to the corporate brand. The name in general is seen as telling more than the letters it consists of, thus it is telling something about the organisation. It seems that it is kept as a visualisation of the corporate brand, kind of a link between the organisation and outsiders of the organisation. The name reveals what the organisation does, what are its operations.

“The name tells already what it, in that house, in that organisation is done.”<sup>13</sup>  
(Managing Director)

From customer’s point of view it is seen that the name is not suitable for the organisation because it is not telling much about the organisation and what the

---

<sup>12</sup> ”Että nää on niinku hyvinkin tämmösiä niinku sanotaan että positiivisia, positiivisia ajatuksia että.”

<sup>13</sup> ”Nimi kertoo jo mitä se, siinä talossa, yrityksessä tehdään.”

organisation does. Also, the name is seen as too complicated. The name is equated to associations about the organisation. Thus, it seems that also the customers see the name parallel to the organisation and its operation. The name is seen as portraying the wholeness of the business and the organisation, and thus the corporate brand.

The empirical analysis reveals that the name of the organisation may be a bit troublesome and could be developed further. Nevertheless, the name is in general seen as important and it also is a crucial part of the corporate brand because it tells outsiders about the organisation. It can be said that the name of the organisation does have an important meaning to corporate brand and indeed it is a component of corporate brand equity. In this case, however, the name does not directly increase corporate brand equity as such, but through the name being connected to the organisation.

#### 5.2.7 Actions of the organisation

The actions of the organisation as a whole are part of corporate brand equity. This can also be seen, more or less visibly, in the analysis of other components of corporate brand equity. Everything the organisation does, can affect its image and the whole corporate brand. This includes of course the actions of people in the organisation, as well as actions made under the name of the organisation, not necessarily by certain people. According to the managing director the image of the organisation has made up of ways of action in the organisation. These actions are not probably done as, first of all, to build the corporate brand but to increase sales and the profitability of the organisation, but they are still in a central role concerning the corporate brand. This means that through the actions the corporate brand is affected and builds up, even though the aim with these actions in the first place is not to build it up. In the words of the managing director what relates to building the corporate brand is every operation or action made in the organisation, especially those visible to outsiders.

“I don’t see it so that it is some separate things, but all those actions which are made and anyone can see apart from those working in the organisation. That is then that building...”<sup>14</sup> (Managing Director)

Some actions are the kind which can be affected and controlled throughout in the organisation. These include such as being visible in the right places or not doing big mistakes when communicating and operating with customers, keeping the promises made to customers and in this way affecting the image and the brand of the organisation. It seems that the personal selling and marketing done by the managing director is the most important way of being seen for the organisation, and thus the actions of the managing director in these situations should be thought as important concerning the corporate brand also. Nevertheless, the managing director is not the only one doing the actions, but everyone in the organisation is part of this.

“Well, as I noticed already every person in the organisation who is moving back and forth there outside these walls is part of the image of the organisation. If there our maintenance man makes mistakes and then the system explodes at customers place after the maintenance man has left then quite surely it has a negative effect to that our image, so that everyone affects it, as said.”<sup>15</sup> (Managing Director)

On the other hand, some actions are such that they may not even be noticed in the organisation as having any kind of effect. A good example of this is the employee of the organisation in the well, finding for tools from the cold water they had dropped, as meaning to customers that the organisation is customer oriented and willing to help the customer in many ways. The managing director also acknowledges the importance of tax payments as it would not look nice not to pay them, and it would obviously affect the image of the organisation. In this way not only the appearance and behaviour, but the wholeness of the organisation forms the image of it. What is mentioned by the customer as an action which is wondering them is the organisation joining the Ecofoster Group. This seems to be an action which has not been noticed

---

<sup>14</sup> ”Mää en näe niinkö sitte että se ois jotain irrallisia juttuja, vaan ne kaikki toimenpiteet mitä tehdään jotka kuka tahansa näkee joka ei oo meidän firman palkkalistoilla. Niin se on sitä rakentamista sitte...”

<sup>15</sup> ”No, no, kyllähän siis liittyyhän niinkö totesin niin taas kaikki meidän henkilöt jotka tuola heiluu tuola neljän seinän ulkopuolella, että jokanehan siihen liittyy siihen kuvaan. Jos siellä meillä huoltomies tössii ja, tössii ja tuota niin niin asiakkaalla räjähtää systeemi sen jälkeeseen kö huoltomies poistuu paikalta niin kyllähän sillä on varmasti meleko negatiivinen vaikutus siihen (heh heh) meidän kuvaan että ihan jokanehan se vaikuttaa siihen, niinkö todettua.”



in the organisation as affecting the corporate brand, or at least it has not been made clear to customers what the meaning of the action is.

It seems that the actions of the organisation are more or less linked to other components of corporate brand equity, but it is still good to notice the role of actions also as a separate component. It is partly a similar component as the name of the organisation, in a way that it relates strongly to the organisation and is visible to stakeholders. In this case, when the organisation is in many occasions doing tight co-operation with customers for example with designing of the solution needed by the customers, it seems that the actions are more visible to customers than might be the case in another organisation.

#### 5.2.8 Personnel

There are defined roles and remits in the personnel: one is responsible for office work, one for research and development and one for maintenance and installations. On the other hand it seems that in such a small organisation, the personnel has versatile role and everyone is doing everything in the organisation. The ambiance in the organisation seems to be convivial and the personnel get along. Certain sense of solidarity seems to prevail in the organisation. There is a permanency and the personnel have been the same already for years. Only a couple of changes have been made in the personnel. The managing director believes a certain permanency is good, so that the personnel know what to do and there is not always a need to teach the personnel. This is seen important especially because of customers, with which the personnel are dealing with. When the person does not change constantly, it brings additional value to customers that they do not have to teach the same things over and over again.

When asked what kind of person the managing director would like to hire, certain features came up. These include being able to work in the field, understand technology and capability to work in extreme conditions. In the words of the managing director the person needs to be flexible, unprejudiced and eligible to learn because he or she is taught to the job. The organisation seeks an expert in one field and trains him or her then to a multiply skilled person suitable for the organisation.

Also the personnel acknowledge the need to survive from surprising situations and mention that the work teaches how to do things accordingly.

According to the managing director, in such a small group of people in the organisation, it is obvious that the guidelines and values of doing are evident to everyone, and he sees that these are discussed repeatedly when working together day by day. In his opinion it is also obvious to the personnel which are the definitions of policies concerning for example on what kind of message about the organisation is given to outsiders or what the reputation of the organisation is wanted to be like, as the personnel is involved in making it. On the other hand the managing director mentions that the personnel have to be continuously mentioned even about some self-evident principles because they also affect the message given outside the organisation. He also notices that these are the things which have to be taught to the personnel even though he sees them as fundamentals which are obvious to every reasonable human being.

The tasks in the organisation have been divided in a way that every member of the personnel is in some way in contact with stakeholders. Everyone is in responsibility of orders, as well as in contact with customers. It is case-specifically defined who is the best person to deal with certain events or customers. This is done especially because of the certain know-how and expertise between the personnel. Typically the personnel are in contact with stakeholders by phone or by e-mail. The contacts are usually dealt between same persons. This is because of the line of business and products and the service being such complex. This means that the relationships between the personnel and stakeholders may also become more and more personal. For example with the customers such as Turveruukki Ltd, with which the organisation is continuously dealing with, the relationships have developed to be tight. There are also customers, with which the organisation is in contact about two to three times a year. These relationships are not so tight, but still there is the tendency to deal with the same person.

“These are then very loose but even then we always pursue, try to be in contact with the same person. Who understands what it is about so that we don’t have

to start to explain the whole procedure from the beginning.”<sup>16</sup> (Managing Director)

Typical face to face contact between the personnel and the customer situates in the field and concerns device maintenance. The employee of the organisation contacts the customer, notifies him or her about the maintenance and inquires whether they are willing to come and see the maintenance being done. Then in the field it is also possible to discuss about current events and how the co-operation is working. The employee comments that in these situations the communication between customers can vary from the most severe to convivial small talk.

According to the managing director the image of the organisation has made up of ways of action. This means that for example the behaviour of the personnel has to be in shape. Indeed, the managing director sees that the whole personnel affect the reputation and the image of the organisation starting from their clothing, behaviour, communication and working style. The work has to be done well also because with their actions the personnel affect the whole picture, whether it happens at work or at free time. At this point the managing director also highlights that how the things are seen by others is the truth in their minds. This means that for example the atmosphere in the organisation is also affecting the reputation. If the customers think people are at work in a bad mood, they start to wonder what is going on.

“Speaking, behaviour, going on in the world, clothing, car decals, everything what, which some walking out there can see with their eyes, hear with their ears and smell with their nose.”<sup>17</sup> (Managing Director)

The personnel instead seem not to be aware of their role in the organisation. They are not aware of the goals concerning the reputation of the organisation or how the organisation wants to present itself. They also are not aware of the core values but still believe they exist and want to identify to them, to those values they believe are correct. It seems that they only have their own opinions guiding their behaviour. The employee believes his communication does not really affect much and in his opinion

---

<sup>16</sup> ”Ne on sitte tämmösiä hyvin väljiä mutta sillonki aina pyritään, yritetään ja ollaanki siihen samaan henkilöön yhteydessä. Joka ymmärtää että mistä on kysymys ettei tarvi alusta ruveta selevittään koko proseduuria läpi.”

<sup>17</sup> ”Puhuminen, käyttäytyminen, kulukeminen maailmalla, pukeutuminen, auton mainosteippaukset, kaikki joka, jonka tuolla kanssakulkija voi silmillä nähdä, korvilla kuulla, tai nenällä haistaa.”

he is even communicating about the organisation somewhat little. He believes his free time is not connected to work in any way and it does not affect the corporate brand. On the other hand the employee sees the reputation of the organisation been composed of hard work by the personnel and the owners. He sees the reputation as lead by own work and presence and believes his own impact to the reputation is quite considerable because he is the one in contact with the customers face to face and the interaction is closer in this way.

“...if I don’t operate well or in a right way so then the reputation is not really good.”<sup>18</sup> (Employee)

The customer also talks in many forms about personnel and their impact. Personnel are the ones communicating knowledge about the organisation and the ones this particular customer has gained most of her knowledge about the organisation from. The employee, with whom the customer is most familiar with, Markku Määttä, is strongly linked to the organisation, the same way as the managing director is, and his role is seen by the customer as quite remarkable in the everyday operations. The customer sees the employee as a busy, uncomplicated person who is capable of taking care of things quickly when needed and who is working independently and just the way he should. The customer sees the interaction open and uncomplicated and is in contact with the organisation and its personnel even once in two weeks. It seems that with this particular customer everyone in the organisation knows the customers, and the customers know everyone in the organisation.

As already mentioned with few words, there is one particular event concerning the personnel which the customer mentions and highlights. This is an event which amuses and is thought back in the customer’s organisation repeatedly even though it has happened in the early 2000’s and was actually only seen by only a few people. A previous worker of the organisation, when working in the field with the customer, jumped in to a well or some kind of a hole in the ground and was there with his feet and all way down to his waist in cold water trying to find some tools from there. In the customer’s organisation this is seen as reflecting EHP-Tekniikka Ltd.

---

<sup>18</sup> ”...jos mä en toimi siellä oikein kautta hyvin niin sillontan se maine ei oo oikein hyvä.”

“...that then if it is necessary they even go to stand in cold water if it is to a customer’s advantage”<sup>19</sup> (Customer)

The other way personnel seem to affect the corporate brand is the feeling of stability and resource scarcity. The customer acknowledges the organisation as having scarce resources and in this way the personnel is the one mostly affecting the image about the organisation, as there might not be too much money or resources for advertisement campaigns or such. The customer sees that it could be beneficial to have more support and more visible persons in the personnel, thus more people working for the organisation. She also sees the amount of personnel as an increaser of credibility, especially concerning the existence of the organisation.

All told, it seems clear that the personnel has an important role concerning corporate brand and is indeed part of corporate brand equity, not only affecting with their behaviour to the image of the organisation, but also affecting as part of the whole picture about the organisation in many ways such as part of creating the atmosphere in the organisation, or part of showing the quality of the organisation by their work, as well as depicting the organisation as a stable and wealthy organisation. In this organisation it seems that the personnel as a component of corporate brand equity has not been noted and taken advantage of fully, even though the importance in some levels is acknowledged.

#### 5.2.9 Owner/manager

In the case company the managing director has a central role. He is responsible of marketing and sales, but does also several other tasks in the organisation, from the work of an assistant to the work of a managing director. And indeed, from the customer’s point of view, the managing director is not only seen as a manager, but also part of the personnel. Managing director is the most visible person for stakeholders and outsiders of the organisation. The corporate brand or the image of the organisation, as it is said in the case company, seems also to be in the responsibility of managing director. In practice this means that the managing director

---

<sup>19</sup> ”että sitte jos tarvii niin mennään vaikka kylmään veteen seisoskelemaan, jos se tuota on asiakkaan edun mukaista.”

takes care of things to be done and in that way the message sent outside the organisation.

“How in practice at everyday level, what messages are being sent and in what we are present and how we appear and, yes, it is sort of my responsibility, mostly.”<sup>20</sup> (Managing Director)

The managing director is not only responsible for the corporate brand or the image of the organisation to outsiders, but also the personnel of the organisation see him as communicating about the brand also to them, partly unconsciously. It seems that the managing director is strongly linked to the organisation and indeed is the face of the organisation and the corporate brand. The managing director gives the brand the face and the physical appearance and is seen by customers as a representative of the organisation. According to the customer, what comes in mind about the organisation is personifying to the managing director and his personality.

“...Risto is, that he is, like it sort of feels like it is a one man’s company in that way, that it is. Quite clearly.”<sup>21</sup> (Customer)

From the customer’s point of view the managing director is seen as a strong person, who is enthusiastic about the products and product development and is actively selling them and telling thoughts about the products. He is arising feelings and is characterised in many words, some of which are hardworking, strong-minded, preacher and dominating the organisation. He is respected by the customer and he is seen as believing in what he is doing and as carrying the business onwards. It seems that these characteristics of the managing director are even being connected to the whole organisation, thus the organisation is the managing director. The impact of the managing director is seen as great.

“...is not kind of hireling, but, but quite really as if lives the, lives through the success and progressing of the organisation”<sup>22</sup> (Customer)

---

<sup>20</sup> ”Miten se niinkö käytännön tasolla, jokapäiväisellä tasolla minkälaista viestiä annetaan ja missä ollaan mukana ja miten näytään ja kyllähän se sillon niinku minun vastuulla hyvin pitkälle on.”

<sup>21</sup> ”Risto on, että se on, niinkun tavallaan lähes tuntuu et se on yhen miehen yritys sillain, että on. Ihan selkeästi.”

<sup>22</sup> ”...ei ole tavallaan niinkun palkollinen, vaan vaan ihan oikeasti niinkun elää sen, elää sen tuota sen yrityksen niinkun menestymisen ja eteenpäinmenemisen kautta.”

The information about the products, the organisation and the corporate brand is communicated to stakeholders in great amounts by the managing director. Because the managing director is responsible for finding new customers, he is also the person in contact with customers even from the first encounter, and after that numerous times. Managing director is spreading the information and increasing the familiarity of the corporate brand to stakeholders and others outside the organisation. He is seen as a spokesperson, and the marketing of the organisation is strongly linked to the managing director. The managing director is seen as a distinctive feature compared to other organisations and he is also seen as critical factor to the continuity of the entrepreneurship of the organisation. Even the corporate brand is seen as build upon the managing director.

“Well, Risto has declared the one and only trueness, the right thing and in this way it has probably build on. Yes I see that it, it has build upon Risto...”<sup>23</sup>  
(Customer)

For this particular customer the managing director was even one reason for starting to do business with the organisation. Him being known beforehand by the customer, it might have been a strong push factor for starting negotiations and in the first place even being aware of the organisation and the possibilities it offers. The managing director was the person revealing the business to the customer. It seems that there is a strong relationship between the managing director and the customer, and it is not only business-related, but also somewhat personal. The relationship is uncomplicated and unreserved and the managing director is easily approachable for the customer. It seems important for the customer that the relationship is the kind where you can speak straight up and say what you mean. It is even seen as a significant part of the whole co-operation between the companies, and the customer sees it might be a problem for the co-operation if the managing director would change.

“Well Risto is the one quite clearly dominating the organisation. If he would suddenly be changed to someone other, that might cause trouble.”<sup>24</sup> (Customer)

---

<sup>23</sup> ”No, Risto on julistanut yhtä ainoaa oikeutta, oikeaa asiaa ja sitä kautta kai se on rakentunut. Kyl mä niinkun näen et se, se ois Riston, Riston varaan.”

<sup>24</sup> ”Et kyllähän Risto on se joka hyvin voimakkaasti dominoi sitä yritystä, että. Et jos sen yhtäkkiä vaihtas johonkin toiseen niin vois olla hankaluuksia.”

All in all, it seems that, as based on theoretical background also, the owner or manager or the managing director is indeed in central position and has a central role concerning the corporate brand. From the customers point of view it is even seen as a prerequisite of the organisation not dying that the managing director is a strong person. The managing director is, somewhat similar as the name of the organisation, something concrete which is connected to the corporate brand. He seems to be seen as the visualisation or personification of the corporate brand and in this way is an important component of corporate brand equity.

#### 5.2.10 Corporate core values

It seems that the opinion and existence of corporate core values in the case company is twofold. There are no written or clearly defined corporate core values in the organisation. There are, nevertheless, certain unwritten principles, which are expressed to the personnel by the managing director. These principles are guidelines for everyday work and exist in the mind of the managing director. According to the managing director it seems that the values are clear and understood well in the organisation, but since they are not written, they are not institutional and well-established. The personnel seem not to be quite sure which actually are the core values and they only have a hint about them based on discussions with the managing director, as well as discussions heard elsewhere.

“Well, if you think about such fancy values which are written in the board and being thought out in a seminar for two days, so there is none.”<sup>25</sup> (Managing Director)

“Values. Okay, I guess there are and what I think they are is like some trustworthiness, easiness, well maybe certainty is part of trustworthiness...”<sup>26</sup> (Employee)

On the other hand it is acknowledged by the managing director that corporate core values exist in the organisation indirectly through the goals of the business. The

---

<sup>25</sup> ”No, siis jos ajatellaan semmosia hienoja arvoja jotka ois kirjoitettu taululle ja niitä pari päivää seminaarissa puitu, niin ei ole.”

<sup>26</sup> ”Arvot. Jaahah, on varmaan ja sen mitä luulen että on niin ne on niinku joku luotettavuus, helppous, no ehkä varmuuskin kuuluu siihen luotettavuuteenkin...”



managing director strongly holds the view that it is not necessary to write down or define corporate core values but the idea is to keep it simple. On the other hand he argues that the core values are the same as the goals of business, and they are guiding the operations in the organisation. It is thought that without the core values the business is not working and there is no business. Thus, it seems that the core values are the same as goals of business or the unwritten principles guiding the operations.

Core values which frequently come up subconsciously through these principles and goals of business, from what the managing director tells about the business, are such as being trustworthy, of good quality, quick in operations and having a deep, versatile know-how. Being quick in operations is not only about operating fast, but it also means that the organisation is trying to solve the problems beforehand, think ahead and act initiatively. Fairness is also mentioned repeatedly. These features of the business are according to the managing director constantly being developed and prepared and in this way the aim is to gain reputation and build business operations.

“Well, what I said already, what is important concerning our business operations is that there is those features which we should be capable of doing, meaning price, quickness, the quality of customer service or after sales and technical know-how.”<sup>27</sup> (Managing Director)

What is extremely interesting concerning corporate core values is that even though they are not well established and may not be seen as supremely important, it seems that the core values and their importance is highly acknowledged concerning the image and reputation of the organisation. According to the managing director, the ways of action and the working culture of the organisation are specified through the core values and this way they affect the image of the organisation as well. Also the employee of the organisation acknowledges the importance and sees the core values as having a great impact on reputation. The core values, or the ones thought to be core values by the personnel are seen important also personally and the values are also personal values of personnel, guiding behaviour and communication. It can be said that the corporate core values are indeed part of corporate brand also.

---

<sup>27</sup> ”No mitä tuossa sanoin tuossa mikä on meidän liiketoiminnan kannalta tärkeää että ne on ne ominaisuudet joihin meidän pitää pystyä, siis tää hinta, nopeus, asiakaspalvelun tai after salesin laatu ja tekninen osaaminen.”

“I mean, they have a big, really big impact those three what we said. When we after all are such a small organisation that if some customer gets the reputation about us that we don’t know or are not able to do what we say and our device don’t work, then it kills the whole business at a moments’ notice.”<sup>28</sup>  
(Employee)

It seems that core values exist to some extent, but only in the background and mostly in the mind of the managing director. It seems that they at least affect the way people behave and in this way are seen also by stakeholders. However, the customer in this study was not aware of corporate core values existing and was wishing that if there are values, they should and could be visible also to customers and especially in communication with customers. Nevertheless, corporate core values affect the whole picture about the organisation and the corporate brand. Corporate core values and their role are not wholly pieced together, but when thought about more deeply, their importance seems to rise. All in all, it seems that the organisation has not clarified and defined and may not even be assure about the core values, but they still exist in the organisation, although somewhat ambiguously. Concerning the corporate brand, corporate core values seem to be important. They are one cornerstone of corporate brand equity through their impact on the image and identity of the organisation and the corporate brand. In this case company the corporate core values seem not to be benefited wholly and could be a bigger increaser of corporate brand equity if clarified and communicated more precisely.

#### 5.2.11 Organisational culture

Organisational culture has already been touched in the previous chapters because it is part of core values and their realisation in the organisation, and it also is linked to personnel as executing and living it. Nevertheless, organisational culture is even more.

The organisational culture can be seen as how things are done in the organisation. In this way it is linked to the corporate brand also. For example when discussing about

---

<sup>28</sup> ”Siis niillähän on iso, todella iso merkitys nuilla kolomella mitä me sanottiin että. Kun me kuitenkin ollaan niin pieni firma että jos joku asiakas saapi meistä semmosen maineen että me ei tiedetä taikka osata tehdä mitä me sanotaan ja meidän laitteet ei pelaa niin sehän tappaa koko meidän homman saman tien.”

the reputation of the organisation, the managing director instantly connects it with how the work is done in the organisation. According to him, there have been no big mistakes done, and this way the reputation of the organisation should be quite good. Features such as supplying the device in time, taking care of the customers and their problems and even doing them more than has been promised come up. With these actions the organisation tries to affect its reputation. According to the managing director, the reputation of the organisation has built up through ways of operating. This is also agreed by the employee, who believes the reputation has built up by hard work of both the personnel and the owners of the organisation; by own work and appearance everyone is affecting the reputation.

“It has built up, through our ways of working. We have tried to do business, and business cannot be done without certain things such as quality, price, time of delivery and the behaviour of personnel in shape. So we have with this way started and this way the reputation or the brand builds up...”<sup>29</sup> (Managing Director)

In the organisation it is believed that through this way the reputation builds up aside and it should not be thought about too much but instead it should be taken care of that the business is done the right way, even though it is realised that the image of the organisation is affected through the ways of working. Part of doing the business right is the principle of keeping it simple, which seems to be in an important role in the organisation. The managing director seems to guide the behaviour and doing of things in the organisation with simple guidelines which are told to personnel now and then. The guidelines include such as keeping what has been promised, doing a work of good quality and trying to work before and not after problems have occurred. It is also said by the managing director that there are no certain ways of doing but only normal norms of behaviour are guiding the way of working, even though not even these are spelled to the personnel but it is supposed that these are understood by everyone. According to him it should be understood in the organisation how to act and work, because it should be self-evident to everyone.

---

<sup>29</sup> ”Se on rakentunut, toimintatapojen kautta. Että on pyritty tekemään bisnestä, ja bisnestä ei voi tehdä jos eri näköiset asiat kuten laatu, hinta, toimitusajat ja porukan käyttäytyminen ei oo kunnossa niin se on niinkö sieltä kautta lähetty ja se sitten rakentuu sitä kautta se maine tai brändi...”

Also the personnel acknowledge that there are no certain official policies of doing things, but instead every normal person should understand how to work. This includes for instance the way of communicating with outsiders of the organisation, the understanding and outlining of bigger picture and behaving accordingly. It is also said that the ways of working are learned through working. Also the managing director acknowledges that it has to be taught what is important in the organisation, and to which things the personnel should pay attention to. And indeed, in the organisation every project is different and there is no routine way of doing things, but inside the project everyone knows what to do. According to the employee, these all are assumptions and not told directly. These are the kind of principles which are hard to tell about, because they are not so visible or evident, nor spoken aloud.

“Yes, assumptions, they are not told in that way. It is not said that you should say “sir” to every customer. Just normal behaviour norms.”<sup>30</sup> (Employee)

Concerning the ways of communicating with customers, it seems that the principle is the same and there are no well defined policies. What is spoken with the personnel according to the managing director is that the customer should be listened to and the starting point is that the customer is right, thus there is a certain principle of serving the customers. According to the managing director, the feedback from customers guides greatly the work done in the organisation. The customer also seems to acknowledge the customer orientation. The personnel sees the way of communicating with customers been the kind of learning path, in a way that it is not actually told by anyone how you should behave, but instead you have learned by yourself how to behave when being in contact with the customers.

“It depends on the customer, so that it can be very serious, in a serious base, or then it can be very genial. So, at least I have the habit of first being a bit more official in the things and then how the customer reacts to it and how he or she speaks, then I may change it. So that if the other suggests calling each other by first name in the first sentence already, then I don’t use sir after that. It depends on with whom you are working with.”<sup>31</sup> (Employee)

---

<sup>30</sup> ”Joo siis oletuksena, ei oo kerrottu kyllä sillä lailla että. Ei oo sanottu että pittää herrotella joka ikistä asiakasta, että. Ihan yleisiä käyttäytymissääntöjä.”

<sup>31</sup> ”Se vähän riippuu asiakkaasta, että se voi olla hyvinkin vakavaa, vakavalla pohjalla olevaa, tai sitten hyvinkin lepposaa. Että tuota, mulla ainaki on itellä semmoinen tapa että mä nyt ensin otan vähän semmosen virallisemmän puolen siihen hommaan että sitten miten asiakas siihen reagoi ja miten hän puhuu, niin sitten ruvetaan muuttamaan sitä. Että jos toinen ehoittelee sinunkauppoja jo

There are also certain routines related to working, which are guiding the ways of working. These routines are part of everyday life in the organisation, and are understood as axiomatic. For instance the year is divided into four parts, and within these parts there are certain tasks to be handled, such as spring or autumn maintenance. It means that it is known in the organisation beforehand, what is going to happen in the next four to six months. There are also different routines, such as Friday being an office day, a day for doing reports or briefings about problems in the device given to customers in written. These routines also include certain persons responsible of certain tasks, and are seen to customer for example in a way that she or he always deals with the same persons.

Even though the core values in the organisation seem not to be well defined, they are guiding the ways of working and thus executing the core values is part of organisational culture. For instance the personnel understand the core values and their meaning as guiding the behaviour in a way that at work you should be accurate. According to the managing director, through the core values the way of action and the organisational culture in the organisation are defined and through this way the image of the organisation is affected. It is essential that the core values guide the way of working in as such way that the image of the organisation is not damaged. In this way, the organisational culture is very central and essential part of corporate brand equity.

“If the work is up the creek, then also the image of the organisation is such that the organisation is up the creek.”<sup>32</sup> (Managing Director)

All in all, it can be said that the organisational culture in the organisation is not so guided, but instead it is taken for granted that people should know how to behave. The atmosphere in the organisation is said to be quite relaxed and immediate, even though busy. People are used to working quite independently, and this may be one reason for the organisational culture to be the kind of not guided. At the same, personnel are often reminded of the unwritten policies of working by the managing

---

ensimmäisessä lauseessa niin ei enää herrotella sen jälkeken mutta tuota. Se on vähän riippuvainen siitä kenen kanssa on tekemisissä.”

<sup>32</sup> ”Elikkä jos me toimitaan päin seinää, niin kyllähän se kuvakin sitte firmasta on että tuo on päin seinää toimiva firma.”

director. Thus, it seems that there are certain unspoken principles, which are not totally acknowledged in the organisation, but they are constantly guiding the behaviour and ways of working. It seems that the importance and role of organisational culture seems not to be understood clearly and it has not been realised as affecting the corporate brand. Nevertheless, it can be seen having an effect, and thus the organisational culture is indeed a component of corporate brand equity.

#### 5.2.12 Product or service

The organisation seems to highlight that it wants to be, first of all, the overall problem solver for customers by designing, delivering and executing overall systems and solutions. The organisation does not want to be seen as a device supplier, because the device is only part of the solution. Nevertheless, exactly the quality and price of the product, besides its maintenance service, are said to be the features distinguishing EHP-Tekniikka Ltd from its competitors and other organisations. In this context also the easiness and usability of the product are seen as distinguishing features. Also the features which are in the organisation seen as important concerning the business operations are those linked to product and service: price, quickness, the quality of service or maintenance and technical know-how. These features are seen extremely important because they are believed to be part of the message about the organisation to outsiders.

“...those do not matter a thing if the product is not in good shape. It is the one which sells; it shapes up the final picture and the reputation in the eyes of customers out there.”<sup>33</sup> (Managing Director)

Also the customer acknowledges that the organisation is and wants to be seen as offering solutions and services and not only selling products. It seems that even though this is seen important in the organisation, it seems to customers that the organisation is still more or less actually selling products, and could concentrate even more to developing the image of solving the problems of customers. It is seen that the organisation has corporate brand because of its unique products and concept of services. It is seen also by the customer that what separates EHP-Tekniikka Ltd from

---

<sup>33</sup> ”...niillä ei oo mitään merkitystä jos tuote ei ole kunnossa, se myy, se tuo sitte sen lopullisen mielikuvan ja sen maineen ja sen referenssin tuola asiakkaitten silmissä.”

its competitors is their service concept and products, which are designed and tested and are proper solutions.

According to the managing director it is seen that products, product packages and the business are the most important, and only then the corporate brand can be made upon them. According to the managing director there is one product, the datalocker, around which the whole business builds. The datalocker is also acknowledged by the customer as a unique product. Indeed, the image of the organisation is strongly seen as linked to the products of the organisation. When asked of which parts the image combines of, the product and its features such as delivery on time and functioning came up. Services are also seen as part of the image of the organisation. The employee of the organisation even sees products and their features as truly part of the corporate brand. The image of the organisation is seen as starting to shape up from the first delivery to a customer.

“Each and every element and component made inside these walls, they all affect the picture. Or reputation, whatever you want to call it.”<sup>34</sup> (Managing Director)

Also the customer sees products as an important part of the organisation and its reputation. Wireless data transmission comes up when discussing about the organisation and its features. It also seems that the customer sees the organisation as strongly customer orientated because of the development of devices according to customer needs. Concerning the reputation more deeply, the customer sees the functioning and certainty of devices as linked to the reputation of the organisation and the reputation being positive or negative. Because the organisation is not only selling device but the customer is more connected to the organisation through services concerning the device, it is seen as very important that the organisation is seen as trustworthy and stable.

Indeed, products seem to have been in an important role also between the organisation, its customer and their co-operation. It seems that the co-operation is strongly connected to product development, and the reason why the customer in the

---

<sup>34</sup> ”Joka ainut elementti ja komponentti mitä tässä meidän seinien sisällä tehdään niin kaikkihan ne rakentaa sitä kuvaa. Tai mainetta, miksi sen nyt sitte haluaaki laittaa.”

first place wanted to have EHP-Tekniikka Ltd as a partner was also because of the products. The customer sees their organisation as wanting to try new innovations which could help their operations in the field in the future. Turveruukki Ltd is also in important role concerning the products because it was the first customer and this is the reason why it is often asked about the products, their functioning and their quality by others, potential customers or authorities. The customer sees the products as creating new and developing, as a mobile solution for field and the co-operation between the organisations is unique in a way that the customer does not have other this kind of relationships. The relationship is also seen as unique in another way, building the image of the industry and the organisation.

“That it is also a little bit this kind of our image building also through these EHP devices.”<sup>35</sup> (Customer)

The products and services are also often linked indirectly to corporate brand equity by being linked to other components of it. The name of the organisation is believed to tell what the organisation does, within the deliveries to customers the image of the organisation can increase and become better and what the customers think about the organisation is thought to relate to products and services of the organisation. Feedback from customers has been asked concerning products and services and because of the maintenance of products being part of the business, contact with customers is continuous. Finally, also the core values of the organisation are seen as to be linked to products in a way that if the organisation does not deliver products in time the image of the organisation is not good.

It seems that the products and services of the organisation seem to have an important meaning concerning the corporate brand equity. This may well be because of their concrete nature and the easiness of seeing and feeling them. They are easily accessible and are indeed seen by the customers, and thus the associations about them are easily made and also connected to the whole organisation, its image and reputation. It seems that this is seen quite clearly in the organisation, but it is still unclear whether the importance and role of products and services is really understood

---

<sup>35</sup> ”Et se on pikkusen tämmöstä meidänkin imagon rakentamista tän, näiden EHP-laitteiden kautta.”



and taken advantage of in the organisation. Thus, products and services are part of corporate brand equity, but could still be used more as a part of this.

### **5.3 Results of the empirical research**

In this study the empirical research and the analysis support the theoretical framework, but also some alteration was made for the model to match the empirical data. There were found both the external and the internal components, and also the role of corporate brand equity assets was acknowledged on the basis of the analysis. Based on the empirical research it seems that the final model is suitable for depicting corporate brand equity and its components in the environment of small enterprise operating in the business area of environmental technology. The components can be divided to external and internal components of corporate brand equity. The external component is stakeholders; internal components on the other hand include the name and actions of the organisation as well as the personnel, manager, corporate core values, organisational culture and the product and/or the services of the organisation. The analysis of the embodiment of components of corporate brand equity is summed up in a table (see appendix 5). The table includes the categorisation of the analysis and the embodiment is more precisely presented in the text.

#### **5.3.1 External components of corporate brand equity in EHP-Tekniikka Ltd**

The empirical research revealed stakeholders to be of great importance for the corporate brand and thus they can obviously be seen as an important part of corporate brand equity. According to the empirical research it can be said that stakeholders are the external component of corporate brand equity. They have a meaningful role in the existence and development of corporate brand equity through the co-operation and its effects to the corporate brand, as giving feedback and in this way affecting the brand and also as communicating and informing about the corporate brand to others. The co-operation affects the way the organisation functions and to what kind of organisation it develops and thus the impact of stakeholders is indeed deep. It seems that the organisation has tight and lasting relationships especially to its customers and thus the impact of them to the corporate brand equity is also constant.

In this study the external assets of corporate brand are seen as part of the stakeholders and a way for them to evaluate and see corporate brand equity. The external assets examined in this study were corporate brand loyalty, corporate brand awareness, perceived quality of corporate brand and corporate brand associations. Other brand assets were left aside because of them being more concrete and thus different from the other assets. This study assumes that the external assets of corporate brand equity are the same as the assets used in product branding, and only the content may vary. In this study the attention was therefore not paid first of all to these assets and the aim was only to improve the understanding of them in the context of corporate brand equity. Furthermore, the understanding of these assets is indeed a bit different when compared to product branding, as they are in product branding understood as building up the brand equity, and in this study instead they are seen as ways of seeing and evaluating the corporate brand equity. Thus, the understanding of the assets is a bit different from what has been used previously.

The findings of the study point out that the previous findings concerning brand equity can also be found in the case of corporate brand equity, and the difference is only that there is not only a certain product, but the whole organisation affects the assets. Thus, corporate brand loyalty, corporate brand awareness, perceived quality of the corporate brand and corporate brand associations were found in this study. These assets are a way for the stakeholders to examine, to see and to evaluate the organisation or the corporate brand, and thus the assets relate strongly to the external component of stakeholders. The finding of seven components of corporate brand equity inside the organisation - the name and actions of the organisation, personnel, manager, corporate core values, organisational culture and product and/or services of the organisation - and one component, stakeholders, in the external environment supports the idea of corporate brand equity assets being only a certain way of understanding and explaining corporate brand equity and not being concrete components of corporate brand equity. In this case this was particularly seen in the case of the customer.

### 5.3.2 Internal components of corporate brand equity in EHP-Tekniikka Ltd

The empirical research revealed seven internal components of corporate brand equity inside the organisation. These factors are the name and the actions of the organisation, personnel, manager, corporate core values, organisational culture, and product and/or services of the organisation. Based on the empirical research, the name and the actions of the organisation are understood to be a bit different components from others since they are affecting more on the background and in a way that the effects to corporate brand equity emerge through them. This is seen in the final model, but however the role of name and actions is not such different that it should be highlighted more.

The name of the organisation is the visualisation of the corporate brand and it is first of all connected to the corporate brand. Through the name the corporate brand tells about the organisation and its operations and in this way, being connected to the corporate brand, the name is a component of corporate brand equity. The actions of the organisation have partly a similar role as the name, since they are a component which is revealing everything and anything about the organisation to outsiders. It can have multiple different meanings depending on who is seeing the actions, and if they are judged as positive or negative. In this way actions of the organisation together with the name are part of the basis of the corporate brand equity.

Because of the central role of the managing director it can be said that he has a great impact on corporate brand equity. He is mostly visible to outsiders as well as communicating about the corporate brand inside the organisation, and he is also seen as the personification of the brand. The corporate brand is also on his responsibility. Personnel are also seen to be visible to outsiders and in this way are affecting the corporate brand equity. With their communication and actions they communicate about the corporate brand also. Since this communication and behaviour is based on corporate core values, which are not written or well defined but still exist in the organisation, they are also part of corporate brand equity. With organisational culture the core values are tied to the organisation, and thus also organisational culture is part of corporate brand equity. Products and services are concretely telling about the

organisation, and are also extremely visible to customers and other stakeholders. Thus, they are also part of corporate brand equity.

Based on the analysis it seems that the role of different aspects of components may well be overlapping and the components are related to each other in multiple ways. This means that for example feedback may be part of stakeholders or on the other hand part of products and services. In the analysis certain facts were repeated in several components, and this was done to show the overlapping more concretely. It is also seen in the analysis that everything which is concrete by its nature is more easily connected to the corporate brand compared to those components more intangible. Thus, the role of corporate core values and organisational culture is not such easily connected to the brand, even though their importance is also acknowledged, yet not always clearly. Even though the concrete components were more easily connected to the corporate brand, it seems that also the intangible components have an equally important role concerning the corporate brand equity. Indeed, together all these components create the corporate brand equity.

Finally, the model of corporate brand equity components is presented (figure 6). The model is, based on the theoretical framework and the empirical research, divided to internal and external components – to corporate identity and corporate image. Together they constitute the corporate brand equity in small and medium-sized enterprises.

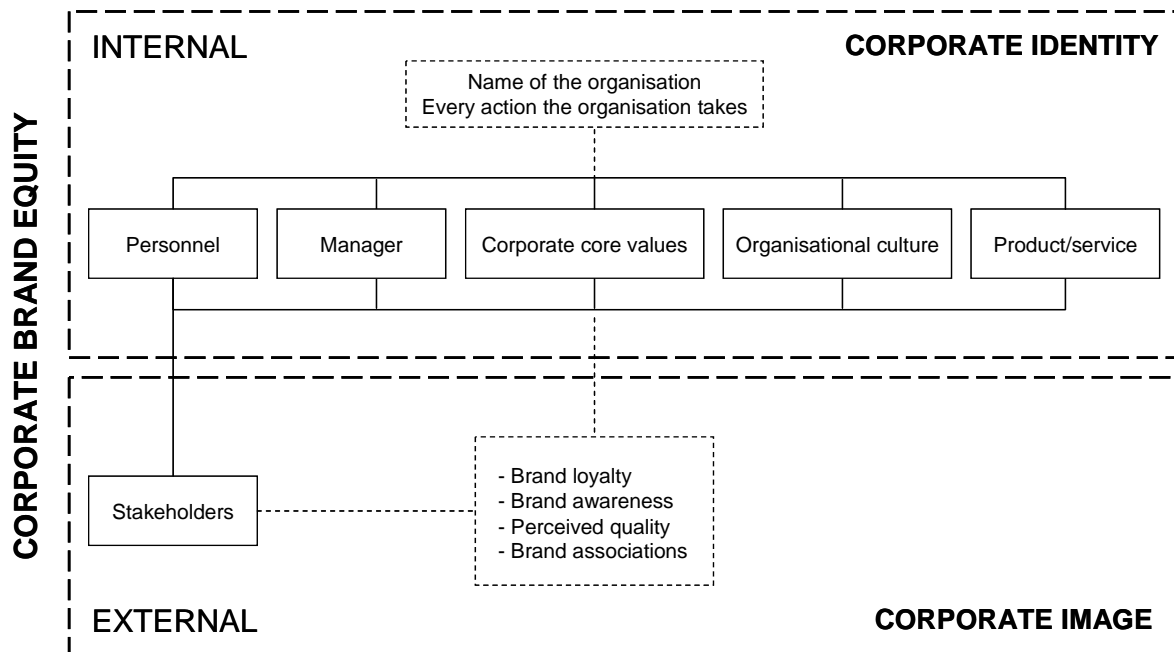


Figure 6. Components of corporate brand equity in SMEs

## 6 CONCLUSIONS

In this chapter the study is summed up and theoretical contributions are presented, as well as the managerial implications and limitations of the study. Suggestions for future research are also given.

### 6.1 Summary

This study has been investigating corporate brand equity in a small enterprise through finding components of the corporate brand equity in the organisation. The aim of this research was to find out the components of corporate brand equity in small and medium-sized enterprises in order to understand corporate brand equity and its key components better in the environment of small and medium-sized enterprises. The research area is a previously understudied phenomenon and thus it was seen very important to gain knowledge about it. The aim was aspired to reach by combining the previous literature concerning product and corporate branding, branding in SMEs, and branding and SME literature in general, in order to shape up the theoretical framework of the study. The empirical research consisted of a single case study, conducted in a small organisation concentrated on environmental technology. In the empirical research a total of three interviews were done not only with the representatives of the organisation, but also with a customer.

The answer to research questions is found in the final framework of the study, illustrated in figure 6 (see page 93). The main research question was: *What does corporate brand equity in SMEs constitute of?* The main research question was answered through three sub questions. The first sub question was: *What are the internal components of corporate brand equity in SMEs?*, the second sub question was: *What are the external components of corporate brand equity in SMEs?*, and the final sub question was: *What is the embodiment of these components in SMEs?* The final framework has been supplemented with the findings of the empirical research and in this way the theoretical framework was adapted to its final shape.

According to the study, corporate brand equity consists of internal and external components. The corporate brand equity can be said to exist in the internal and

external environment of the organisation – the identity and the image of the corporate brand. External component of corporate brand equity is stakeholders. Part of this is also corporate brand equity assets, which is a way for the stakeholders to see and evaluate the corporate brand. Corporate brand equity assets are corporate brand loyalty, corporate brand associations, corporate brand awareness and perceived quality of the corporate brand. The internal components of corporate brand equity on the other hand are the name and actions of the organisation, personnel, manager, personnel, corporate core values, organisational culture and product and/or services of the organisation. The role of these internal and external components is important in the organisation as they constitute the corporate brand equity and through them the organisation can affect its corporate brand equity. The role of these components is also overlapping, as they are all connected to each other in multiple ways.

## **6.2 Theoretical contributions**

The findings of the study reveal new knowledge concerning corporate branding, corporate brand equity and branding in SMEs. The area of research as such is new, and thus only limited amount of comparison to existing literature on the topic can be made. In general it seems that the study confirms the existing notions about the topic. For example, what seems notable concerning corporate branding in general in small and medium-sized enterprises is the fact that as already theoretically grounded (see e.g. Gilmore *et al.* 2001), indeed branding in SMEs is often an informal process, and in this case it is not even noted in the organisation as happening, or the organisation even having a corporate brand. It has also been noted in previous theory that SMEs may not realise being capable of having a brand (see e.g. Merrilees 2007; Krake 2005). The case in this study confirms that it is seen, from the organisation's point of view, that the organisation does not really have a brand and the brand is only familiar with customers. It seems that it is not understood or realised that the brand can exist within the customers. Customers on the other hand recognise the organisation having a brand. And it is also recognised in the organisation that the aim is to build a picture of the organisation in the minds of existing and potential customers. Thus, there seems to be a bit of a paradox in the understanding of and about the corporate brand.

As has been previously noted (see e.g. Abimbola & Vallaster 2007; Ahonen 2008), the study confirms the possible lack of resources in SMEs. This seems to be the case also with branding, as smaller organisations may not be able to use the full potential of branding due to lack of resources concerning time, money and amount of personnel. It has also been noted that the different levels of branding may not be separable in SMEs (see e.g. Ojasalo *et al.* 2008), and this was also supported in the study as product and/or services are clearly linked to corporate brand. Thus, the line between these seems not to be clear in SMEs.

What is notable in the environment of SMEs is that as corporate brand literature suggests corporate branding to be systematically planned and executed process (Einwiller & Will 2002), this is not the case in the case company. Instead, corporate branding has not been benefited fully, nor is it fully understood and taken advantage of in the case company. Similarly, the study does not fully support corporate brand building to be done with including the whole organisation (see e.g. Bergstrom *et al.* 2002), as for instance in the case company the personnel seem not to be fully aware of the corporate brand and its components such as core values or principles of working (organisational culture). All in all it seems that the environment of SMEs, especially related to corporate branding, seems clearly different from the environment of larger organisation. This may explain the differences found in the study, compared to existing literature on corporate branding, as corporate branding has been previously examined in the environment of larger organisations.

The main theoretical contribution of this study is the framework of components of corporate brand equity in small and medium-sized enterprises. The research area is a phenomenon which has not been previously studied as such, and thus the model in itself reveals totally new knowledge about the research topic. Corporate brand equity as such has not been previously researched in the area of corporate brand nor in the environment of small and medium-sized enterprises. In this study the findings point out to the existence of external and internal components of corporate brand equity in SMEs. The empirical analysis revealed seven components of corporate brand equity in SMEs, which as such have not been previously connected to corporate brand equity, or to brand equity at all. The components are stakeholders, the name and the actions of the organisation, personnel, manager, corporate core values, organisational



culture and product and/or services of the organisation. Mostly the empirical research supported the conclusions made in the theoretical part of the study. However, the empirical analysis revealed a component which was not found from the theoretical framework. This component was product and/or service.

Even though the components of corporate brand equity as such have not been linked to corporate brand equity, they have been studied previously in the area of corporate branding and branding in SMEs. The study clearly supports the important role of personnel, as has been noted before in the literature concerning corporate branding and branding in SMEs (see e.g. de Chernatory & Cottam 2008; Balmer & Gray 2003; Ojasalo *et al.* 2008). Also, the role of manager as a key person of SMEs has been noted before (see e.g. Abimbola & Vallaster 2007), as well as the impact of stakeholders to corporate branding (see e.g. Leitch & Richardson 2003). Thus, the study confirms this and emphasises the meaning of personnel, manager and stakeholders even more especially concerning corporate brand equity. Also, the link between personal values of personnel and brand values of the organisation (Harris & de Chernatory 2001) is supported in the study. Moreover, the characteristics of the manager are indeed supported in the study, as has been noted by Watson *et al.* (1998).

Concerning brand equity and its multiple definitions, the study clearly supports the idea of the link brand equity has with brand's name and symbol (see e.g. Aaker 1992b, 216). Also, previous literature has connected brand equity to product or service (*ibid.*), and this can be seen to be true also concerning corporate brand equity. Keller (2000, 115) has defined corporate brand equity as the sum of results formed by any action made under the corporation, and this was indeed confirmed in the study. The study also supports the existence of brand assets in the context of corporate brand equity in small and medium-sized enterprises. The study confirms that previous findings of brand equity assets (see e.g. Aaker 1996) can be connected also to corporate brand equity, even though brand equity assets may not be fully similar in the environment of product and corporate brands.

The knowledge found in the study is totally new concerning corporate brand equity in the environment of small and medium-sized enterprises. Thus, this study can in the

future help researchers to understand the formation of corporate brand equity in small and medium-sized enterprises through the components of it. Corporate brand equity in SMEs as such has not been previously studied empirically, and thus the knowledge of the study gives totally new implications concerning the phenomenon.

### **6.3 Managerial implications**

Before this study there has been little if any knowledge for management about corporate brand equity in small and medium-sized enterprises. Thus, this study may provide important new knowledge for small and medium-sized enterprises concerning their corporate brand and corporate brand equity. Through understanding and being aware of the corporate brand equity components, managers are able to take advantage of the corporate brand and increase corporate brand equity by affecting the operations of their organisations and in this way the components of corporate brand equity. It is important for managers to understand the value of corporate brand equity also in the environment of small and medium-sized enterprises.

It seems that the organisation in this study now concentrates most of all to sales. It is seen important that managers would also pay some concern to marketing, communication and branding since they also contribute to sales. Business operations of the organisation in this study are seen as to be much more than the corporate brand and this may lead the understanding about the brand to wrong direction as it may be seen as a totally separate piece and not part of the business operations. Thus, the advice to managers is to think about corporate brand more and even to internalise it as part of the business operations in the organisation. This means that the brand could be taken into account more often and indeed it would be important to connect it to business operations and not to think of it separately.

Based on this study it can be said that the communication about organisations and their corporate brands could be made clearer for example by making sure that the message sent to outsiders is well-defined and congruent and that everyone is sending the same message. Managers should communicate more about the brands to stakeholders, keeping in mind especially the existing customers. Managers should first make sure that the vision, mission and the core values of the organisation are

clear and understood by everyone inside the organisation. By clarifying vision, mission and core values to personnel the message sent to outsiders of the organisation could also clarify. When the personnel are well aware of the organisation and its goals, also the customers can be more aware of these. Now it is seen in the organisation of the study by the managing director, that for example the core values and guidelines of working are clear to everyone in the organisation, but according to this study, they are actually not such clearly seen and understood by the personnel. Thus, it is important for the managers to make sure the personnel actually understand the core values and principles of working.

In the organisation it seems that the components of corporate brand equity are not clearly outlined and understood. For managers it should be important to outline and make sure the components of corporate brand equity are understood by everyone in the organisation. Keeping in mind the components of corporate brand equity and making use of them in the corporate brand building could be very beneficial to gain the advantages of corporate branding. Managers should also make corporate brand more visible and part of the everyday work in the organisations. Managers should keep in mind to try to benefit from corporate brand constantly and more precisely by taking it as part of the everyday business.

#### **6.4 Limitations of the study**

Variations between industries and companies within industries exist (Knox 2004). This study was conducted in an organisation concentrated on environmental technology and the environment of the organisation may differ from other organisations operating in different areas of business. Thus, it is not clear whether the framework is suitable to wider use and in different areas of business. Also, the use of more than one case company could increase the understanding of the phenomenon, for example with wider amount of data and a wider perspective on the topic. Due to lack of resources such as time and money, there was also only one customer interview in the research, and the conclusions could vary and there could have been more knowledge concerning the phenomenon if more customers or more groups of stakeholders had been interviewed.

The study was conducted in a clearly small organisation and thus it is not obvious if the model suits to bigger, medium-sized organisations as well. Nevertheless, the model is seen to be general enough to suit also the environment of bigger organisations than the one in this study. Since the role of the researcher was central in the study and analysis, it can be said that the researcher had a critical role in the formation of the final framework. The understanding of the researcher was strongly affecting the outcome of the research.

The study was also constrained by the methods chosen. In collecting the data, it is possible that the interviewees were not always truthful for their soul, but said for example what they believed was expected to be heard. Also, the generalisation of the findings of the study is constrained by the methods as with qualitative case study research the aim is towards analytical generalisations and not to a wider generalisation.

## **6.5 Reliability and validity**

In this study, the concepts of reliability and validity are used to evaluate the research and its quality. The accessing is done in order to see if the research and conclusions of it can be relied on (Koskinen *et al.* 2005, 253). It is important to acknowledge and be familiar with the concepts, for they are the tools for increasing the quality of the research (*ibid.*). Reliability and validity have been used in quantitative research and are seen to be more suitable for analysing the quality of quantitative research (Hirsjärvi *et al.* 2006, 217). However, it is important also to evaluate the quality of qualitative research and for there is no better way to evaluate it, the concepts of reliability and validity are used for it. In qualitative research the meaning of reliability and validity differ from the understanding of the concepts in quantitative research (Hirsjärvi *et al.* 2006, 217). Yin (2003, 34) presents four design tests to establish the quality of case study research. These are construct validity, internal validity, external validity and reliability (*ibid.*).

In qualitative research the concept of validity is understood as the width of the certain statement, interpretation or the finding as expressing the target which is aimed to be expressed by them. Construct validity is understood as the use of correct

measures for examining the concepts, and internal validity refers to the internal logic and harmony of the interpretation. External validity on the other hand means the ability to generalise the interpretations out of their context. (Koskinen *et al.* 2005, 254; Yin 2003, 34.)

Reliability in qualitative research is understood as the repeatability of the study (Hirsjärvi *et al.* 2006, 216) and the actions of the researcher (Hirsjärvi & Hurme 2000, 189). In qualitative research, the researcher itself is the central instrument of the research and thus he or she is also the main criteria for the reliability of the research (Eskola & Suoranta 1998, 211). It is important to document the research in a way that it can be evaluated by others (Koskinen *et al.* 2005, 257), since the interpretation and conclusions are dependent on the actions of the researcher,

In qualitative research construct validity can be increased for instance by using multiple sources of evidence, by establishing a chain of evidence, defining carefully the research object and by making sure that the research methods used are suitable for the particular research object (Yin 2003, 34-36; Hirsjärvi & Hurme 2000, 188-189). In this study data was collected from several sources and secondary data was used to support the analysis. The descriptions of what was studied, how the study was conducted, which are the themes used in analysis and how the analysis was done can be found from the study (see chapter 4), and thus construct validity was increased.

Internal validity of the research can be increased by using multiple methods or suitable, logical methods or by searching diverging cases for the study (Yin 2003, 34; Koskinen *et al.* 2005, 257). The methods used in this study are justified earlier in this study. The use of qualitative research, case study and theme interviews are all supported as a qualified way to do research in this particular study. The data used should be as versatile as possible and in this study this can be seen to happen particularly as the interviews were done within representatives of multiple viewpoints. Also, the interviewees were given a chance to speak quite freely, even though the outlines of the interviews were done beforehand. This also enabled the data to be more versatile. Several sources for the theoretical framework were also used in this study.

External validity in qualitative research can be increased by the conclusions being transferable and this can be done by carefully describing the process of the study in such a way that others understand how the study has concluded in this way (Koskinen *et al.* 2005, 257). A description as rich and careful as possible was aimed at by the researcher in this study in order to increase the external validity. It is told in what way the research was done and what kind of case company was involved. External validity also refers to the ability to generalise the conclusions to a wider context (Yin 2003, 37). In general it is believed that the generalisation is not easy in single case studies (*ibid.*). However, the generalisation in case studies strives for analytical generalisation and not statistical generalisation, meaning that it is the aim of the researcher to generalise only a particular set of the results. It is believed also in this study that the results can be analytically generalised, and the compatibility only has to be verified in different contexts.

In qualitative research, it is important to make explicit the process involved in the collection and analysis of data (Shaw 1999). Reliability of the research can be increased by closely describing the phases of the research (Hirsjärvi *et al.* 2006, 217). In qualitative research, the categorising is seen important in the analysis in order to increase the reliability (*ibid.*). In this study this was done by using certain themes, which can be found from the appendix 4. The phases of the research were also described carefully (see chapters 1.5, 4.1. and 4.2). The outlines of the interviews are attached to the research as appendixes, as is also the themes of the analysis and the categorising of the analysis. According to Hirsjärvi and Hurme (2000, 184) the excellence or the quality of the research can be improved by beforehand preparing a well made outline for the interviews and by thinking the themes more deeply and making additional forms of questions. In this study, the outlines for interviews were prepared carefully and several additional forms of questions were made beforehand.

During the interviews the quality of the research can be improved by taking care of the technical equipment used as well as taking care of the outline of interview being well gone through (Hirsjärvi & Hurme 2000, 184). The quality is also improved by transcription of the interviews (Hirsjärvi & Hurme 2000, 185). This was also done in

this study and the ways in which the quality of this study was increased in the interviews were already presented in chapter 4.2.

For the role of the researcher is central and thus the findings cannot surely be the same if another researcher made the research, the role of the researcher has been tried to make clear in the analysis by documenting the analysis and the themes used in it (see appendices 4 and 5). Reliability can also be increased by using direct citations in the analysis (Hirsjärvi *et al.* 2006, 218) and thus direct quotations were made in the analysis. This also helps to verify the understanding of the researcher as correct.

The table 4 below describes the ways in which the validity and reliability have been increased in this research.

*Table 4. Methods used to improve validity and reliability of the study*

---

Construct validity	Multiple sources of evidence Chain of evidence Careful defining of the research object
Internal validity	Use of suitable research methods Use of versatile data Use of multiple sources in constructing the theoretical framework
External validity	Rich description of the research object and how the research was done
Reliability	Documenting of the research Careful desing of interviews Execution of interviews done accurately Transcribed interviews

---

## **6.6 Suggestions for future research**

The research topic in this study was new and future research could continue the research in multiple ways to deepen the understanding of the phenomenon. This study provides a model of components of corporate brand equity in small and medium-sized enterprises. The topic is an understudied area, and this is the first

model to introduce these components. Thus, it could be beneficial to perform a multiple case study, in which more than one organisation would be studied and in this way to get deeper understanding about the phenomenon. Another option would be to use a more comparative approach in analysing the components of corporate brand equity to find more knowledge about the differences and roles of the components. Also, the components now being found, it would be interesting to deepen the understanding about them in a different environment, for example in a bigger organisation or a multinational organisation. The study could also be done in a consumer environment or in different areas of business, and more viewpoints could be taken into account concerning the topic.

This study could be continued with studying more deeply the components of corporate brand equity. This could be done for example by studying the relations of the components, or by studying the influence or the strength of these components with quantitative research. The study also illuminated the assets of corporate brand equity, the corporate brand associations, corporate brand awareness, corporate brand loyalty and perceived quality of corporate brand. These assets could indeed be further studied to gain more knowledge about them in the context of small and medium-sized enterprises, for example with quantitative research in multiple organisations. Also, the generalisation of the framework and components of corporate brand equity could be increased by using different research methods. The model could for instance be tested using a quantitative research on the components. One suggestion for future research is also the analysing and evaluation of the present state of corporate brand equity in an organisation by using the components of corporate brand equity as a tool for the analysis.



## REFERENCES

- Aaker, D. A. (1992a). Managing the most important asset: brand equity. *Planning Review*, 20(5), 56–58.
- Aaker, D. A. (1992b). *Strategic Market Management* (3rd ed.). New York: John Wiley & Sons, Inc.
- Aaker, D. A. (1996). *Building Strong Brands*. Bath, Great Britain: The Bath Press.
- Aaker, D. A. & Biel, A. L. (1993). *Brand Equity & Advertising*. Hillsdale, New Jersey: Lawrence Erlbaum Associates.
- Aaker, D. A. & Joachimsthaler, E. (2000). *Brandien johtaminen*. Porvoo: WS Bookwell Oy.
- Abimbola, T. & Kocak, A. (2007). Brand, organisation identity and reputation: SMEs as expressive organisations: a resources-based perspective. *Qualitative Market Research: An International Journal*, 10(4), 416–430.
- Abimbola, T. & Vallaster, C. (2007). Brand, organisational identity and reputation in SMEs: an overview. *Qualitative Market Research: An International Journal*, 10(4), 341–348.
- Ahonen, M. (2008). Branding – does it even exist among SMEs? Proceedings of the 16<sup>th</sup> Nordic Conference on Small Business Research, May 21<sup>st</sup> -23<sup>rd</sup> 2008, Tallinn, Estonia.
- Alasuutari, P. (1999). *Laadullinen tutkimus* (3rd ed.). Jyväskylä: Vastapaino.
- American Marketing Association (2009). Dictionary. Read 5 May 2009. [http://www.marketingpower.com/\\_layouts/Dictionary.aspx?dLetter=B](http://www.marketingpower.com/_layouts/Dictionary.aspx?dLetter=B).
- Argenti, P. A. & Druckenmiller, B. (2004). Reputation and the corporate brand. *Corporate Reputation Review*, 6(4), 368–374.
- Balmer, J. M. T. (2001). Corporate identity, corporate branding and corporate marketing – seeing through the fog. *European Journal of Marketing*, 35(3/4), 248–291.
- Balmer, J. M. T. & Gray, Edmund R. (1999). Corporate identity and corporate communications: creating a competitive advantage. *Corporate Communications: An International Journal*, 4(4), 171–176.
- Balmer, J. M.T. & Gray, Edmund R. (2003). Corporate brands: what are they? What of them? *European Journal of Marketing*, 37(7/8), 972–997.

- Balmer, J. M. T. & Greyser, Stephen A. (2006). Corporate marketing – integrating corporate identity, corporate branding, corporate communications, corporate image and corporate reputation. *European Journal of Marketing*, 40(7/8), 730–741.
- Balmer, J. M. T. & Liao, M. (2007). Student corporate brand identification: an exploratory case study. *Corporate Communications: An International Journal*, 12(4), 356–375.
- Bergstrom, A., Blumenthal, D. & Crothers, S. (2002). Why internal branding matters: The case of Saab. *Corporate reputation review*, 5(2/3), 133–142.
- Bernstein, D. (2003). Corporate branding – back to basics. *European Journal of Marketing*, 37(7/8), 1133–1141.
- Berry, L. L. (2000). Cultivating service brand equity. *Journal of the Academy of Marketing Science*, 28(1), 128–137.
- Berthon, P., Ewing, M. T. & Napoli, J. (2008). Brand management in small to medium-sized enterprises. *Journal of Small Business Management*, 46(1), 27–45.
- Beverland, M., Napoli, J. & Yakimova, R. (2007). Branding the business marketing offer: exploring brand attributes in business markets. *Journal of Business & Industrial Marketing*, 22(6), 394–399.
- Biel, A. L. (1992). How brand image drives brand equity. *Journal of Advertising Research*, 32(6), 6–12.
- Boyle, E. (2003). A study of entrepreneurial brand building in the manufacturing sector in the UK. *Journal of Product & Brand Management*, 12(2/3), 79–93.
- Cobb-Walgren, C. J., Ruble, C. A. & Donthu, N. (1995). Brand equity, brand preference, and purchase intent. *Journal of Advertising*, 24(3), 25–41.
- The commission of the European Communities (2003). Commission recommendation of 6 May 2003 concerning the definitions of micro, small and medium-sized enterprises. Read 25 November 2008. [http://eur-lex.europa.eu/LexUriServ/site/en/oj/2003/l\\_124/l\\_12420030520en00360041.pdf](http://eur-lex.europa.eu/LexUriServ/site/en/oj/2003/l_124/l_12420030520en00360041.pdf)
- Davies, G. & Chun, R. (2002). Gaps between the internal and external perceptions of the corporate brand. *Corporate Reputation Review*, 5(2/3), 144–158.
- de Chernatory, L. (2002). Would a brand smell any sweeter by a corporate name? *Corporate Reputation Review*, 5(2/3), 114–132.
- de Chernatory, L. & Cottam, S. (2008). Interactions between organisational cultures and corporate brands. *Journal of Product & Brand Management*, 17(1), 13–24.

- Dubois, A. & Gadde, L. (2002). Systematic combining: an abductive approach to case research. *Journal of Business Research*, 55(7), 553–560.
- Einwiller, S. & Will, M. (2002). Towards an integrated approach to corporate branding – an empirical study. *Corporate Communications: An International Journal*, 7(2), 100–109.
- Eisenhardt, K. M. (1989). Building theories from case study research. *The Academy of Management Review*, 14(4), 532–550.
- El-Tawy, N. & Tollington, T. (2008). The recognition and measurement of brand assets: an exploration of the accounting/marketing interface. *Journal of Marketing Management*, 24(7/8), 711–731.
- Eriksson, P. & Kovalainen, A. (2008). *Qualitative Methods in Business Research*. London: Sage.
- Eskola, J. & Suoranta, J. (1998). *Johdatus laadulliseen tutkimukseen* (2nd ed.). Jyväskylä: Vastapaino.
- Eurostat (2008). European business, special topics/small and medium-sized enterprises (SMEs). Read 24 November 2008. [http://epp.eurostat.ec.europa.eu/portal/page?\\_pageid=2293,59872848,2293\\_68195655&\\_dad=portal&\\_schema=PORTAL#SME](http://epp.eurostat.ec.europa.eu/portal/page?_pageid=2293,59872848,2293_68195655&_dad=portal&_schema=PORTAL#SME)
- Gilmore, A., Carson, D. & Grant, K. (2001). SME marketing in practice. *Marketing Intelligence & Planning*, 19(1), 6–11.
- Gummesson, E. (2000). *Qualitative Methods in Management Research* (2nd ed.). California: Sage Publications Inc.
- Halal, W. E. (2000). Corporate community: a theory of the firm uniting profitability and responsibility. *Strategy & Leadership*, 28(2), 1–11.
- Harris, F. & de Chernatory, L. (2001). Corporate branding and corporate brand performance. *European Journal of Marketing*, 35(3/4), 441–456.
- Hatch, M. J. & Schultz, M. (1997). Relations between organizational culture, identity and image. *European Journal of Marketing*, 31(5/6), 356–365.
- Hatch, M. J. & Schultz, M. (2003). Bringing the corporation into corporate branding. *European Journal of Marketing*, 37(7/8), 1041–1064.
- Hirsjärvi, S. & Hurme, H. (1988). *Teemahaastattelu* (4th ed.). Helsinki: Yliopistopaino.
- Hirsjärvi, S. & Hurme, H. (2000). *Tutkimushaastattelu – Teemahaastattelun teoria ja käytäntö*. Helsinki: Yliopistopaino.

- Hirsjärvi, S., Remes, P. & Sajavaara, P. (2006). Tutki ja kirjoita (12th ed.). Jyväskylä: Gummerrus Kirjapaino Oy.
- Hoeffler, S. & Keller, K. L. (2002). Building brand equity through corporate societal marketing. *Journal of Public Policy & Marketing*, 21(1), 78–89.
- Inskip, I. (2004). Corporate branding for small to medium-sized businesses – A missed opportunity or an indulgence? *Journal of Marketing*, 11(5), 358–365.
- Keller, K. L. (1993). Conceptualizing, measuring, and managing customer-based brand equity. *Journal of Marketing*, 57(1), 1–22.
- Keller, K. L. (2000). Building and managing corporate brand equity. In: Schultz, M., Hatch, M. J. & Larsen, M. H. (ed.). *The Expressive Organisation: Linking Identity, Reputation and the Corporate Brand*. Oxford: Oxford University Press, 115-137.
- Keller, K. L. (2003). *Building, Measuring and Managing Brand Equity* (2nd ed.). Upper Saddle River, New Jersey: Pearson Prentice Hall.
- Kerin, R. A. & Sethuraman, R. (1998). Exploring the brand value-shareholder value nexus for consumer goods companies. *Journal of the Academy of Marketing Science*, 26(4), 260–273.
- King, S. (1991). Brand-building in the 1990s. *The Journal of Consumer Marketing*, 8(4), 43–52.
- Knox, S. (2004). Positioning and branding your organisation. *Journal of Product & Brand Management*, 13(2), 105–115.
- Knox, S. & Bickerton, D. (2003). The six conventions of corporate branding. *European Journal of Marketing*, 37(7/8), 998–1016.
- Knox, S., Maklan, S. & Thompson, K. E. (2000). Building the unique organization value proposition. In: Schultz, M., Hatch, M. J. & Larsen, M. H. (ed.). *The Expressive Organisation: Linking Identity, Reputation and the Corporate Brand*. Oxford: Oxford University Press, 138–153.
- Kollmann, T. & Suckow, C. (2007). The corporate brand naming process in the net economy. *Qualitative Market Research: An International Journal*, 10(4), 349–361.
- Koskinen, I., Alasuutari, P. & Peltonen, T. (2005). *Laadulliset menetelmät kauppatieteissä*. Tampere: Vastapaino.
- Kotler, P., Armstrong, G., Saunders, J. & Wong, V. (1996). *Principles of Marketing – The European Edition*. Hertfordshire: Prentice Hall Europe.

- Kotler, P. & Keller, K. L. (2006). *Marketing Management* (12th ed.). Upper Saddle River, New Jersey: Pearson Prentice Hall.
- Krake, F. B.G. J. M. (2005). Successful brand management in SMEs: a new theory and practical hints. *The Journal of Product and Brand Management*, 14(4/5), 228–238.
- Lassar, W., Mittal, B. & Sharma, A. (1995). Measuring customer-based brand equity. *Journal of Consumer Marketing*, 12(4), 11–19.
- Lehmann, D. R & Winer, R. S. (ed.) (2002). *Product Management* (3rd ed.). New York: The McGraw-Hill.
- Leitch, S. & Richardson, N. (2003). Corporate branding in the new economy. *European Journal of Marketing*, 37(7/8), 1065–1079.
- Louro, M. J. & Cunha, P. V. (2001). Brand management paradigms. *Journal of Marketing Management*, 17, 849–875.
- Mackay, M. M. (2001). Evaluation of brand equity measures: further empirical results. *Journal of Product & Brand Management*, 10(1), 38–51.
- Maykut, P. & Morehouse, R. (1994). *Beginning Qualitative Research: a Philosophic and Practical Guide*. London: The Falmer Press.
- Merrilees, B. (2007). A theory of brand-led SME new venture development. *Qualitative Market Research: An International Journal*, 10(4), 403–415.
- Motion, J., Leitch, S. & Brodie, R. J. (2003). Equity in corporate co-branding. *European Journal of Marketing*, 37(7/8), 1080–1094.
- Muzellec, L., Doogan, M. & Lambkin, M. (2003). Corporate rebranding – an exploratory review. *Irish Marketing Review*, 16(2), 31–40.
- Muzellec, L. & Lambkin, M. (2006). Corporate rebranding: destroying, transferring or creating brand equity? *European Journal of Marketing*, 40(7/8), 803–824.
- Mäkinen, V. (1980). *Yrityksen toiminnan tutkimisen lähestymistavoista – toimintanalyttisen tutkimusstrategian kehittelyä*. Tampere: Yrityksen taloustieteen ja yksityisoikeuden laitoksen julkaisuja.
- Neilimo, K. & Näsi, J. (1980). *Nomoteettinen tutkimusote ja suomalainen yrityksen taloustiede*. Tampere: Yrityksen taloustieteen ja yksityisoikeuden laitoksen julkaisuja.
- Ojasalo, J., Nätti, S. & Olkkonen, R. (2008). Brand building in software SMEs: an empirical study. *Journal of Product & Brand Management*, 17(2), 92–107.

- Olins, W. (2000). How brands are taking over the corporation. In: Schultz, M., Hatch, M. J. & Larsen, M. H. (ed.). *The Expressive Organisation: Linking Identity, Reputation and the Corporate Brand*. Oxford: Oxford University Press, 51–65.
- Pappu, R., Quester, P. G. & Cooksey, R. W. (2005). Consumer-based brand equity: improving the measurement – empirical evidence. *Journal of Product & Brand Management*, 14(3), 143–154.
- Perry, C. (1998). Processes of a case study methodology for postgraduate research in marketing. *European Journal of Marketing*, 32(9/10), 785–802.
- Pihlanto, P. (1994). The action-oriented approach and case study method in management studies. *Scandinavian Journal of Management*, 10(4), 369–382.
- Pitta, D. A. & Katsanis, L. P. (1995). Understanding brand equity for successful brand extensions. *Journal of Consumer Marketing*, 12(4), 51–64.
- Reijonen, H. (2008). Understanding the small business owner: what they really aim at and how this relates to firm performance. *Management Research News*, 31(8), 616–629.
- Rode, V. & Vallaster, C. (2005). Corporate branding for start-ups: the crucial role of entrepreneurs. *Corporate Reputation Review*, 8(2), 121–135.
- Schoenfelder, J. & Harris, P. (2004). High-tech corporate branding: lessons for market research in the next decade. *Qualitative Market Research: An International Journal*, 7(2), 91–99.
- Shaw, E. (1999). A guide to the qualitative research process: evidence from a small firm study. *Qualitative Market Research: An International Journal*, 2(2), 59–70.
- Simon, C. J. & Sullivan, M. W. (1993). The measurement and determinants of brand equity: a financial approach. *Marketing Science*, 12(1), 28–52.
- Trueman, M., Klemm, M. & Giroud, A. (2004). Can a city communicate? Bradford as a corporate brand. *Corporate Communications: An International Journal*, 9(4), 317–330.
- Tuominen, S. (2006). *Brändin rahallisen arvon mittaaminen. Menetelmävertailu. Lisensiaatintutkielma. Joensuun yliopisto.*
- Urde, M. (2003). Core value-based corporate brand building. *European Journal of Marketing*, 37(7/8), 1017–1040.
- Valkokari, K. & Helander, N. (2007). Knowledge management in different types of strategic SME networks. *Management Research News*, 30(8), 597–608.

- Watson, K., Hogarth-Scott, S. & Wilson, N. (1998). Small business start-ups: success factors and support implications. *International Journal of Entrepreneurial Behaviour & Research*, 4(3), 217–238.
- Welsh, J. A. & White, J. F. (1981). A small business is not a little big business. *Harvard Business Review*, 59(July/August), 18–32.
- Winters, L. C. (1991). Brand equity measures: some recent advances. *Marketing Research*, 3(4), 70–73.
- Wong, H. Y. & Merrilees, B. (2005). A brand orientation typology for SMEs: a case research approach. *Journal of Product & Brand Management*, 14(2/3), 155–162.
- Wood, L. (2000). Brands and brand equity: definition and management. *Management Decision*, 38(9), 662–669.
- Yin, R. K. (2003). *Case study research – design and methods* (3rd ed.). California: Sage Publications Inc.

## Appendix 1 Outline of the interview, managing director

**To begin with**

- Employees: role, assignments, the amount
- The turnover of the organisation
- Own role in the organisation

**Owner/Manager**

- the role in the organisation

**Personnel**

- the role of personnel
- awareness concerning the brand
- affection on the brand
- what kind of personnel is wanted?

**Corporate core values**

- mission, vision, goals?
- do values exist?
- role of values

**Organisational culture**

- atmosphere
- guidelines etc

**Name of the organisation**

- origins of the name

**Actions of the organisation**

- affecting the brand?

**Stakeholders**

- co-operation
- reputation among stakeholders
- part of the brand?
- feedback
- what kind of relationships?

**Corporate brand associations**

- Reputation of the organisation
- Impacting the reputation



- Communication about the brand

### **Corporate brand loyalty**

- perceptions about the brand now and then
- what is different concerning other organisations?

### **Corporate brand awareness**

- Do you have a brand? From what it constitutes of?
- How does the brand build up?

### **Perceived quality of corporate brand**

- perceptions about the brand
- what affects?

### **Anything else?**

## Appendix 2 Outline of the interview, employee

**To begin with**

- the role in the organisation

**Owner/Manager**

- is the brand lead?

**Personnel**

- your role
- what kind of persons employed?
- some similar features?

**Corporate core values**

- guidelines?
- existing values?
- how these seen?
- goals?

**Organisational culture**

- what kind of organisation to work in
- atmosphere
- guidelines?

**Actions of the organisation**

- certain ways of working?
- certain events?

**Stakeholders**

- responsibility on
- communication with

**Corporate brand associations**

- reputation
- associations coming in mind?

**Corporate brand loyalty**

- what differs the organisation from others?

**Corporate brand awareness**

- brand exists?
- what is important?

**Anything else?**

## Appendix 3 Outline of the interview, customer

**To begin with**

- clear vision/picture of the organisation?
- co-operation

**Owner/Manager**

- opinions?

**Product/service**

- thoughts, assumptions, opinions?
- what the organisation does?

**Personnel**

- experiences
- opinions

**Corporate core values**

- is there?
- opinions

**Organisational culture**

- what do you see/feel?

**Name of the organisation**

- what comes in mind?

**Actions of the organisation**

- experiences
- communication?

**Stakeholders**

- what would you tell to others?
- your role
- feedback

**Corporate brand associations**

- reputation
- what do you connect to the brand?
- what kind of associations?

- what affects this?
- face of the brand?
- message about the brand?

### **Corporate brand loyalty**

- co-operation
- relationship with the organisation
- why?

### **Corporate brand awareness**

- familiarity of the organisation
- is there a brand?
- where to get information?

### **Perceived quality of corporate brand**

- assumptions
- experiences

### **Anything else?**

## Appendix 4 Themes used in the analysis of the data

## QSR Nvivo nodes

Owner/Manager

Personnel

Product/service

Corporate core values

Organisational culture

Name of the organisation

Actions of the organisation

Stakeholders

Corporate brand associations

Corporate brand loyalty

Corporate brand awareness

Perceived quality of corporate brand

## Appendix 5 Embodiment of the components in EHP-Tekniikka Ltd

Component	Embodiment of the component in the organisation
Stakeholders	<ul style="list-style-type: none"> <li>- Co-operation between the organisation and stakeholders, especially with local entrepreneurs</li> <li>- Internet and personal selling as ways of finding new customers</li> <li>- Phone and e-mail along with personal meetings mostly used to communicate with existing customers</li> <li>- Relationships with customers lasting and honest</li> <li>- Certain people to be in contact with</li> <li>- Strong co-operation with customers especially with designing and solution finding</li> <li>- Contact with the customer at least once a month</li> <li>- Maintenance of the relationships mostly seen as renewing contracts</li> <li>- Feedback asked related to products mainly</li> <li>- Feedback affects strongly the actions of the organisation</li> <li>- Customers increase the visibility of the organisation with spreading information</li> <li>- The impressions of customers build the reputation of the organisation</li> <li>- Customers act as a reference</li> </ul>
Name of the organisation	<ul style="list-style-type: none"> <li>- The name is a possible development target</li> <li>- The name is important and it is equated to the corporate brand</li> <li>- The name is seen as telling about the organisation</li> <li>- The name is a link between the organisation and outsiders</li> <li>- The name is seen as parallel to the organisation and its operation</li> </ul>
Actions of the organisation	<ul style="list-style-type: none"> <li>- Everything the organisation does can affect its image and the corporate brand as a whole</li> <li>- The image of the organisation is seen as made up of ways of action</li> <li>- Some actions can be affected and controlled in the organisation, others not</li> <li>- It is seen important for example to be visible in right places, not to make mistakes and to keep the promises made to customers</li> <li>- Some actions are not even noticed in the organisation, such as employers behaviour and certain happenings with them, or joining as a part of a group</li> <li>- Everyone in the organisation is part of the actions</li> <li>- Actions which are visible to customers and other stakeholders are especially important concerning the corporate brand</li> <li>- Actions of the organisation are more or less linked to other components of corporate brand equity</li> </ul>
Personnel	<ul style="list-style-type: none"> <li>- Defined roles and remits in the personnel</li> <li>- On the other hand, personnel has a versatile role and everyone is doing everything</li> <li>- Convivial ambiance in the organisation, certain sense of solidarity</li> <li>- Permanency in the personnel is seen important</li> <li>- Personnel is wanted to be able to work in the field, understand technology and be able to work in extreme conditions</li> <li>- The personnel is wanted to be flexible, unprejudiced and eligible to learn</li> <li>- Guidelines and values of doing have to be taught to the personnel</li> <li>- Everyone is in contact with stakeholders/customers</li> <li>- Certain know-how and expertise affects who is in contact to whom</li> <li>- Relationships between personnel and stakeholders can develop more and more personal due to the continuous contacts</li> <li>- Behaviour, clothing, communication and working style of personnel affect the image of the organisation</li> <li>- Atmosphere among the personnel affects the whole picture about the organisation</li> </ul>

- The personnel may not always be aware of their important role concerning the corporate brand
  - The personnel is strongly linked to the organisation by the customer
- Owner/manager
- The managing director has a central role and is responsible of the organisation in many ways
  - The managing director is seen not only as a manager, but also as part of the personnel
  - Managing director is the most visible person of the organisation
  - The corporate brand is in the responsibility of the managing director
  - The managing director is communicating about the corporate brand to stakeholders, outsiders and also to the personnel of the organisation
  - The managing director is seen as the face of the corporate brand and gives the brand a physical appearance
  - The corporate brand is personified to the managing director and his personality
  - Characteristics of the managing director are connected to the organisation
  - The managing director is seen as a strong person, enthusiastic about the products and believing in what the organisation is doing
  - The managing director is seen as carrying the business onwards
  - The managing director is seen as a distinctive feature of the organisation
  - The corporate brand is even seen as build upon the managing director
- Corporate core values
- No written or clearly defined core values exist in the organisation
  - Corporate core values in the organisation are certain unwritten principles which are expressed to the personnel by the managing director
  - Core values are guidelines for everyday work
  - Core values are not well-established and it is not obvious in the organisation which are the core values
  - Core values are seen as to exist through the goals of business and are guiding the operations of business in the organisation
  - Without the core values the business is not working and there is no business
  - The core values includes such as being trustworthy, of good quality, quick in operations and having a deep, versatile know-how
  - These features of the business are according to the managing director constantly developed
  - The importance of core values is highly acknowledged in the organisation
  - Core values are related to the image and reputation of the organisation
  - The way of action and the working culture are specified through the core values
  - The personnel can relate to the core values
  - Core values are guiding the behaviour and communication of the personnel
  - Core values are not visible outside the organisation



- Organisational culture
- Organisational culture is part of core values and their realisation in the organisation
  - Core values are guiding the organisational culture in the organisation
  - Organisational culture is also linked to the personnel as it is executing and living it
  - Organisational culture is how things are done in the organisation and it is linked to the corporate brand in this way
  - When there are no mistakes done, the reputation of the organisation can be good
  - Organisational culture includes features such as supplying the device in time, taking care of the customers and doing them even more than has been promised
  - The reputation is seen as build up through ways of operating
  - With hard work everyone can affect the reputation
  - It is seen important that the business is done the right way in the organisation
  - Part of doing things right is the principle of keeping it simple
  - The behaviour and doing of things right are guided by the managing director with simple guidelines
  - The guidelines include such as keeping what has been promised, doing a work of good quality and trying to work before problems arise
  - There are no certain official policies in the organisation about how things should be done, but instead it should be clear to everyone
  - The ways of working are also learned through working
  - It is kept important in the organisation that customers should be listened to, the organisational culture is customer oriented
  - There exists certain routines guiding the ways of working
- Product/Service
- The quality and the price of the product with the maintenance service are the distinctive features of the organisation which differentiate it from others
  - Also the easiness and usability of the product are seen as distinctive features
  - The features in the organisation seen as important concerning the business operations are linked to product and service: price, quickness, the quality of service or maintenance and technical know-how
  - The organisation is seen as to have the corporate brand because of its unique products and service concepts
  - The product is seen as inevitable in order to have a corporate brand
  - The whole business is seen to build around a product
  - The image of the organisation is linked strongly to the products and services of the organisation
  - The image is seen as to consist of features such as delivery on time or functioning of the products
  - The co-operation with customers seems to be strongly connected to product development
  - Products and services are also related to corporate brand equity through other components of it
-