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TRANSFERRING BRAND EQUITY HIERARCHICALLY THROUGH REBRANDING

Case Capricode Oy

Master's Thesis

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Abstract

The aim of this research is to create a model explaining how brand equity assets can be transferred between different brand hierarchy levels through a rebranding process. The issue is looked at in the theoretical part of this study by reviewing literature related to brand hierarchies, brand equity and rebranding. Brand hierarchies have gathered increasing attention in the academic literature. Today almost all researchers make the distinction between *corporate-dominant*, *product-dominant* and *mixed* structures. This study concentrates on corporate-dominant and product-dominant brand hierarchy levels. Brand equity usually defines and measures the assets that create added value to products. Only a few studies mention corporate brand equity and even rarer try to measure it empirically and make the distinction between product and corporate brand equity. This study tries to uncover and highlight these issues. Rebranding, in turn, has been researched widely during the past decade probably due to the increased amount of mergers and acquisitions of world-known corporations. However, in this study rebranding does not refer to renaming a company; instead it aims at finding other ways to transfer and increase the brand equity of both product and corporate brands. Consequently, the final contribution explains how brand equity is formed in different brand hierarchy levels, and what kind of brand equity assets can be transferred between different hierarchical levels in a rebranding process.

This study uses abductive research reasoning and the research approach is subjective. Since the study is interpretative and its objective is not to find statistical generalizations, action-oriented research approach is used. Because the previous literature used in this study is very contradictory or there is none, descriptive study can be used to understand and clarify the research problem. However, because this study tries to find action suggestions of how to rebrand and transfer brand equity hierarchically, it has also characteristics of action research. Qualitative methods are used in conducting an empirical research within a real-life context and a suitable way to this is to make a case study. In order to get important insights to a situation that might not be reported from an outside perspective, interviews are used as the main data collection method. The interviews focused on studying brand hierarchy and brand equity in the case company. At the end of the data analysis the modified model of the theoretical framework is presented, followed by the comparison between the theoretical framework and the results of the empirical analysis.

Choosing a brand hierarchy is more unplanned than the theory suggested. Corporate brand equity differs from product brand equity both in theory and in practice. However, both corporate and product brand awareness as well as brand loyalty are built due to partner relationships. Product brand associations relate strongly to the quality, usability and technical features of the product brand where as the corporate brand associations highlight the employees. In addition to renaming, many more ways to rebrand is found. Less radical actions can have an influence on the brand equity of different brands and help to increase and transfer it.

Finding out how brand equity is created in different brand hierarchy levels helps to concentrate in the brand building to the most valuable things. In addition, knowing various ways to rebrand gives an opportunity to develop the brands of a company. However, the results of this study cannot be used to explain all the cases in the same industry, not to mention in different industries or countries.

Keywords

Corporate-dominant brand, product-dominant brand, brand hierarchy, corporate brand equity

Additional information

This thesis is a part of CoBra –Corporate Branding– project of the Department of Marketing

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Oulu, 25.5.2009
Jenni Alahuhta

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1 INTRODUCTION

1.1 Introduction to the study

Today the value of brands is recognized widely and they have a crucial role in building future assets (Aaker 1992, 56). However, there is still a clear lack of empirical research in the branding literature (Balmer 2001). At first only product branding was referred in the branding literature (Berry 2000) but academics have understood during the last two decades the importance of corporate branding (Balmer & Gray 2003). Both product and corporate branding targets to differentiate and gain preference in the minds of important stakeholders (Knox & Bickerton 2003). However, there are major differences between those two and this study aims at finding these different characteristics. The previous academic literature suggests that product and corporate branding differ for example in the amount of stakeholders, focus and the way they are communicated, as well as in the way they create brand equity. Accordingly, product brand equity is researched more thoroughly. Although there are only a few mentions of corporate brand equity in the literature (e.g. Keller 2000), it definitely exists and it differs from product brand equity. Thus, discovering how product and corporate brand equity differ is a major contribution of this study.

The differences of product and corporate brand equity are used in the theoretical framework of this study, which reflects the impact of rebranding in different brand hierarchy levels. The empirical research is conducted as a single case study in a Finnish high-tech company. The aim of the company is to transfer brand equity assets between different brand hierarchical levels so that the brand equities of both brands would improve. Rebranding has been researched widely during the past decade probably due to the increased amount of mergers and acquisitions of world-known corporations. The final contribution explains how brand equity is formed in different brand hierarchy levels, and what kind of brand equity assets can be transferred between different hierarchical levels in a rebranding process.

Consequently, the objective of this study is duplex: although this study focuses on rebranding, first the current state of the brands before the rebranding needs to be revealed. This is done by researching the structure of the brand hierarchy and how brand equity is formed in different brand hierarchy levels. In other words, the brand hierarchy and the formation of brand equity need to be clarified before the rebranding can be studied and see what effects it has on the brand equity. In addition, because there are not many previous studies about corporate brand equity, it needs to be studied through examining product brand equity first and adapting that literature in the corporate branding context. Since the findings of the rebranding are used as a consulting help for the case company, this part of the study can be referred as action research. Rebranding has not yet been executed in the case company, and thus the empirical part of the study will focus on the brand hierarchy and the current state of the brand equity.

This research is part of the CoBra - Corporate Branding - project aiming to understand and clarify the role and importance of corporate branding especially in small and medium-sized companies. The project gives this particular study an access to valuable information through case companies as well as creates synergies with other similar studies in the same project. The case study is conducted in Capricode Oy which is a small-sized mobile software company operating in Oulu, Finland.

1.2 Justification of the importance of the research topic

As discussed above, the importance of branding in general as well as corporate branding, brand equity, and rebranding has been accepted everywhere among the academics and practitioners. In addition to this justification, this study has many unique characteristics that make the execution of the study valuable and justified. This research is full of converse use of previous theories that differ greatly from the traditional literature related to the topic. First of all, usually rebranding refers to rebranding of a company. Since rebranding of individual products is usually a tactic move driven by the desire to brand globally and derive economies of scale in packaging and advertising (Muzellec, Doogan & Lambkin 2003), the previous academic literature is lacking research related to rebranding of products. The rebranding literature (e.g. Muzellec, Doogan & Lambkin 2003; Daly & Moloney 2004; Muzellec & Lambkin 2006; Kaikati 2003; Stuart & Muzellec 2004; Gotsi & Andriopoulos 2007; Lomax & Mador 2006) is thus concentrated on corporate rebranding.

However, in this study rebranding is executed to both a product and a corporate brand. One way of doing this is to add the less-known corporate name to the known product name. The aim of this action is based on the fact that the corporate name is quite unknown among the stakeholders. However, the product name is widely known but a large number of the stakeholders do not know the manufacturer. Thus, rebranding is hoped to make the corporate brand name more known by transferring brand equity assets, such as awareness, associations and loyalty, from the product brand to the corporate brand. Consequently, the rebranding is aimed to affect positively to the corporate brand equity. An answer to the question, whether this study is related to rebranding at all, Muzellec et. al (2003) gives an indirect answer by defining rebranding to "the practice of building anew a name representative of a differentiated position in the mind frame of stakeholders and a distinctive identity from competitors". This is exactly what the rebranding process is aiming for although it rather focuses on indirectly achieving the distinctive and differentiated position to the corporate brand and less to the product brand (since it already has a desired position).

Second paradox of this study relates to brand extensions. Brand extensions occur when a company uses an established brand name to introduce a new product (Keller 2003, 577). At first glance this study could be interpreted as an extension because rebranding could be conducted by adding a name of a brand to the name of another brand in order to improve brand image, reduce risks perceived by customers, increase efficiency and avoid costs of developing a new brand. However, brand extensions can be referred to only if *a totally new brand* is developed. Since this study uses established corporate and product brands, the phenomenon cannot be understood as a brand extension. Moreover, brand extensions are used only with *products,* not with companies.

Thirdly, one of the main theoretical discussion themes of this research, brand equity, is applied in a way barely mentioned in the academic literature. Brand equity, defined as a set of brand assets and liabilities linked to a brand, its name and symbol that add to or subtract from the value provided by a product to a firm and/or to that firm´s customers (Aaker 1992, 56), usually refers to the added value of the products. There are several studies (e.g. Aaker 1992; Keller 2003; Leiser 2003; Kim, Kim & An 2003) focusing on defining and measuring the assets that create brand equity to products. In contrast, Keller (2000; 2003; 2008) is one of the few researchers who mention corporate brand equity. Thus, finding the assets that form the corporate brand equity and summarizing them is a totally new research topic.

To summarize the discussion above, this study has a totally unique research topic which includes concepts never used in a such way. Consequently, conducting this research should create totally new knowledge and thus the research topic is justified. In addition, this study aims at solving a practical problem of the case company which confirms the empirical justification.

1.3 Research aim and problems

The aim of this research is to create a model explaining how brand equity assets can be transferred between different brand hierarchy levels through a rebranding process. In order to fulfill this research aim, a wide review of previous literature from different fields of branding is conducted. In addition to the theoretical part, an empirical part is carried out in a case company in order to gain more insight of the brand hierarchy and brand equity of the company before the rebranding process. As described above, the empirical part forms the first section of this study. As a result the case company gets some development suggestions in order to improve its brands. These findings are part of the action research conducted along the empirical part of the study. Both the theoretical and empirical sections of the study aim at finding the answer to the two main research questions which go as follows:

- (1.) *How brand equity assets are formed in different brand hierarchy levels?*
- (2.) *How brand equity assets can be transferred between different brand hierarchy levels through rebranding?*

The main research questions are further divided into sub research questions. First of all, it is not obvious that every brand equity asset can be transferred between different brand hierarchy levels. For example, quality associations can be attached to a product brand but they might not be transferred to a corporate brand. Whether this is true or not, is studied during the research. Secondly, how the rebranding process itself affects the brand equity in different brand hierarchy levels or does it have an effect on the brand equity? In summary, the sub research questions are the following:

- (i.) *What kind of brand equity assets can be transferred between brand hierarchy levels?*
- (ii.) *How the rebranding process affects the brand equity in different brand hierarchy levels?*

1.4 Research methodology

Since the study is interpretative and its objective is not to find common generalizations, action-oriented research approach is used. Its purpose is to create concepts that can be used for understanding the phenomenon under research. Empirical research has a major role in order to deeply understand the phenomenon. Usually only a few research objects are used as sources of empirical data. (Neilimo & Näsi 1980.)

Perry (1998) argues that it is unlikely that a researcher can genuinely separate inductive and deductive analysis. Consequently, this research has an abductive research design which combines both induction and deduction. While inductive theory is build by using purely empirical data, deductive method tests existing theory with empirical research. (Perry 1998.)

This study is both descriptive and action research. The goal of this study is to describe the phenomenon theoretically through the empirical data (Grönfors 1985, 62). Therefore, the empirical part is not used for testing the theory; instead it is used for clarifying contradictory theory and developing new theory with the help of empirical data. In this study the empirical part concentrates particularly on describing the brand hierarchy and brand hierarchy levels of the case company. Action research, in turn, tries to both change the system and generate critical knowledge about it. The action research part in this study focuses on the rebranding since the case company wants to alter the brand equity of its brands through rebranding.

Qualitative methods are used in order to gain knowledge about phenomenon that is lacking previous studies. By studying a phenomenon thoroughly by using qualitative methods, a researcher can identify concepts needed for understanding the phenomenon and build relationships between different concepts (Järvinen & Järvinen 2004, 9-10). According to subjective scientific approach, of what this study follows, knowledge is personal and dependent of an individual. Thus, the researcher cannot be in an outside, neutral role; instead the research is affected by the relationship between the researcher and the object of the research. (Neilimo & Näsi 1980.)

This research uses case study method which gives an opportunity to study a contemporary phenomenon within a real-life context (Yin 1989, 23). Theory developed from case study research has important strengths, such as novelty, testability, and empirical validity (Eisenhardt 1989). They arise from the intimate linkage with empirical evidence. In addition, case study method is particularly well-suited to new research areas or research areas for which existing theory seems inadequate (Eisenhardt 1989). Thus, it is ideal for this study which has many previously unexplained characteristics.

This study uses interviews as the main qualitative data collection method. Interviews with the case company representative as well as with two of their resellers are conducted. They are an essential source of case study data since the specific interviewees can provide important insights to a situation that might not be reported from an outside perspective (Yin 1989, 90). In addition, available documentary and the Internet are utilized to gain more information about the case company. The most important use of secondary data is to support and augment evidence from other sources (Yin 1989, 86), in this case the data collected through the interviews.

1.5 Key concepts

The most important concepts that this research uses and their explanations are as follows. A more in-depth discussion of each concept is provided later.

Brand = "A name, term, sign, symbol, or design, or a combination of them, intended to identify the goods and services of one seller or group of sellers and to differentiate them from those of competitors" (American Marketing Association).

Corporate brand = "Corporate branding is the visual, verbal and behavioral expression of an organization´s unique business model" (Knox & Bickerton 2003).

Brand equity = Brand equity is a set of brand assets and liabilities linked to a brand name and symbol and it adds or subtracts the value of the product (Aaker 1992, 56). As will be described below, corporate brand equity exists but the term *brand equity* usually refers to *product* brand equity.

Rebranding = Creating a new name, symbol, term, design or a combination of them for the established brand, in order to develop a differentiated position in the mind frame of stakeholders (Muzellec & Lambkin 2006) and a distinctive identity from competitors (Muzellec et al. 2003).

Stakeholders = The important focus groups of companies who are interested in the actions of the companies. They can be internal, such as employees, or external, such as customers, shareholders, financers, suppliers, distributors and the media (Hatch & Schultz 2003).

Brand hierarchy = "a snapshot of the company´s brand structure" (Muzellec & Lambkin 2009).

1.6 The structure of the study

Figure 1. represents the structure of this study. The first chapter introduced the reader to the topic by bringing forth the aim and research questions of the study. In addition,

the justification of the research topic, the research methodology in short, and the key concepts were presented. The second, third and fourth chapter form the theoretical background for the research. As already mentioned, the concepts of brand hierarchy and brand equity need to be clarified before moving on to the rebranding. The culmination of the theoretical part is the theoretical framework presented in the chapter 5. The framework combines the theoretical concepts in order to get a theoretical answer to the main research question of the study. The next part of the study consists of the methodology. It includes all the methodological decisions made in this research, such as the choices of qualitative research, research approach and the empirical research design. After that the empirical research is explained by first introducing the case company and after that the analysis as well as the results of the empirical study. The last chapter represents the theoretical contribution and managerial implications. Finally, the evaluation and limitations of the research are discussed following by the future research suggestions.

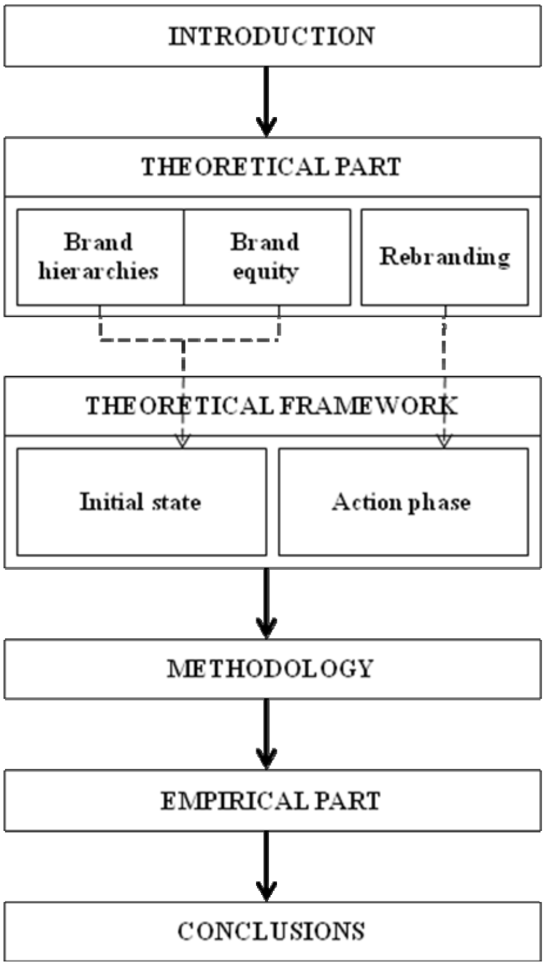

Figure 1. The structure of the study.

2 BRAND HIERARCHIES

Before moving on to the more specific issues of branding the concept of branding itself is explained, following by the discussion about brand hierarchies. Branding is usually associated with physical goods sold in the consumer markets (Keller 2003, 15). However, as will be explained later, branding can be associated with companies as well. Thus, the characteristics of and differences between product and corporate brands, as well as their combination, mixed branding, is presented.

2.1 The concept of brand

The dictionary definition for the word *brand* describes it as “a mark made by burning or otherwise, to indicate kind, grade, make, ownership, etc.” (Compact Unabridged Dictionary 1996). Kapferer (1993) also denotes to the link between the historical and recent meaning of the word: the actual act to burn a mark into the skin of an animal in order to designate ownership of the cattle. Like in the past, also today branding refers to the way companies try to mark their own products and other properties. The further definition also characterizes brand as “a kind or variety of something distinguished by some distinctive characteristic” (Compact Unabridged Dictionary 1996). By linking the preceding and latter dictionary definitions it can be said that by branding a product or other object becomes owned by someone and this way it can be distinguished from competing products. In today´s world it is really hard to find competitive advantage that cannot be copied or shared. Consequently, brands are the only intangible factors of a company that do not have to be shared (Olins 2000, 51). Also Balmer and Gray (2003) have defined brand as a mark, name, trademark or logotype denoting ownership, an image-building device, a symbol associated with key values, a mean by which to construct individual identities or a conduit by which pleasurable experiences may be consumed.

According to Biel (1993), the first brands were developed already over 100 years ago by industrial companies in order to get control over sales of products from retailers. In the early days brands originated only in the field of consumer goods but today brands can mean also something else than just “purchasable”. Thus, classic brands were tangible products that stood out from their competitors (King 1991) in the mind of the customer (Knox & Bickerton 2003). The performance, appearance, price and durability of the products were differentiating factors that not only labeled the products but also the companies producing them. Additionally, the products were genuinely different (Olins 2000).

Gradually, due to the technological change that evened the manufacturing capabilities of the companies, the looks of the products, how they worked ergonomically and what they were called became distinguishers between different products (Olins 2000). Added value was built around the core functionality of the product in order to create and maintain distinction in a particular market (Knox & Bickerton 2003). The brand and the emotional qualities associated with the products were suddenly as important as or even more important than the quality or the price of the products. The products must feel and look different from the competition. Through product, logo and package design, marketers were and still are able to leverage the materiality of goods in their branding efforts (Berry 2000). Although the early academic discussion related branding only to branding of products, today academics and managers have broadened the phenomenon to concern also other objects.

Brand building can be defined as using all the assets to create unique entities that certain customers want. These entities have a lasting personality which is based on a special combination of physical, psychological and functional values (King 1991). A brand represents a cluster of emotional and functional values, which promises a certain kind of experience. So it is a dynamic interface between company´s actions and customers´ interpretations (de Chernatony 2002). A strong brand is “a safe place for customers” (Richards 1998 via Berry 2000), since it increases trust, decreases customers´ perceived monetary, social and safety risk as well as enables better visualization and understanding of the product (Berry 2000). Brand building is a long-term investment and that is why it used to cause a lot of resistance especially among strategists and short-term financials. However, today the value of brands is recognized widely and it is seen as building future assets (Aaker 1992, 56). Financial audience now know that brands are intangible assets raising share price, people like to work for companies having well known and respected brands, and above all, many consumers have fallen in love with brands (Olins 2000, 52).

2.2 Different brand hierarchies

There can be many different kinds of brands inside a company. Brand hierarchy “is a means of summarizing the branding strategy by displaying the number and nature of common and distinctive brand elements across the firm´s products” (Keller 2003, 535). Brand hierarchy is a graphical way to show how many different brand elements the company has and how they are shared with different products (Farqurah 1989), in other words it is the snapshot of the company´s brand structure (Muzellec & Lambkin 2009). It is based on a realization that a product can be branded in different ways according to how many new and existing brand elements are used and how they are combined for any one product (Keller 2000). Aaker and Joachimsthaler (2000b) use the words “architecture” and “brand relationship spectrum” to describe the similar concepts. By brand architecture they mean the brand portfolio that has an organizing structure. It specifies brand roles and the relationships between brands. Osler (2007) also talks about brand roles as well as brand types and purposes.

The goals of brand hierarchies are on one hand to exploit commonalities between different brands in order to generate synergy, and on the other hand to find and reduce the differences between brand identities in different contexts and roles so that they do not damage each others. Brand hierarchies also reduce confusion and achieve clarity among different brands. Moreover, a single integrated hierarchy can respond more easily to external changes, and thus it takes the future changes more adequately into consideration and allocates future resources to different brands based on these predictions. (Aaker 1996a, 241-242.) Although presenting a good static framework of the brand structure inside a company, a brand hierarchy does not, however, offer much understanding about the vertical interaction among levels within the brand hierarchy (Muzellec & Lambkin 2009). This study tries to lighten these relationships between different hierarchical brand levels.

There are many different ways to examine brand hierarchies, their levels, and definitions. Table 1. summarizes different brand hierarchies and gives some

Table 1. Different brand hierarchies.

Studies	**Main brand hierarchies**	**Possible sub-brands and explanations of each hierarchy levels**	**Examples**
Aaker & Joachimsthaler (2000b)	House of Brands	*Not Connected:* Independent set of stand-alone brands, each maximizing the impact on a market and differentiating each other from the other brands of the producer	Pantene (Procter & Gamble)
		Shadow Endorser: As above with the exception that many consumers know about the link between the product and corporation brands	Lexus (Toyota)
	Endorsed Brands	*Token Endorsement*: A master brand is involved in several product-market contexts, usually it is well-known and well-regarded	Universal Pictures, A Sony company
		Linked Name: A name with common elements creates a family of brands with an implicit or implied endorser	Big Mac
		Strong Endorsement: Endorsed brands are independent but are strongly endorsed by another brand (usually by a corporate brand)	Polo Jeans by Ralph Lauren
	Sub-brands	*Co-Drivers*: Both the master brand and sub-brand have major driver roles, they have equally strong roles	Gillette Mach3
		Master Brand as Driver: a master brand has more significant role than a sub-brand, it acts as a reference for the sub-brand	HP Deskjet
	Branded House	*Different Identity*: Different brand identities and positions in every context despite the common brand name	Levi-Europe, Levi US
		Same Identity: A master brand has a dominant driver role across a multiple offerings, it acts as an umbrella for all sub-brands which has little or no driver role	Virgin
Kapferer (1992, 149)	Product brand	Each product has an own personal brand name, positioning and target market	Ariel (Procter & Gamble)
	Line brand	A line brand extends vertically its specific concept across different complementary products all under the same name	Studio Line gel, spray, lacquer etc. (L´Oreal)
	Range brand	Assign a single name, promise and positioning on a group of heterogeneous products having the same function	The “soothing line” for sensitive skin (Clarins)
	Umbrella brand	A same brand supports several products in different markets, each with its own communication and individual promise	Yamaha motorcycles and pianos
	Source brand	Identical to umbrella brand strategy but the products are directly named, the parent brand promotes its own significance and identity in a modified or enriched way through its offspring	Yves Saint Laurent with various brands of clothes

(continued)

Studies	Main brand hierarchies	Possible sub-brands and explanations of each hierarchy levels	Examples
	Endorsing brand	An endorsing brand gives an approval to a wide diversity of products grouped under product, range or line brands, it is a guarantor of quality and taste	General Motors cars, e.g. Pontiac and Chevrolet
Keller (2008, 446)	Corporate brand	The highest level of the hierarchy, usually present somewhere on the product or package but can be combined with family/individual brands or receive almost no attention	General Motors
	Family brand	A brand used in more than one product category but is not necessary the name of the company	Tropicana juices (Seagram)
	Individual brand	A brand restricted to one product category, can be used for several different product types within the category	Fritos corn chips and Doritos tortilla chips (Frito-Lay)
	Modifier	Designates a specific item or model type or a particular version or configuration of the product	BMW x5
Laforet & Saunders (1999)	Corporate-dominant brand	The corporate brand emphasized and is visible everywhere, extreme and rare	Heinz
	House-dominant brand	A group of similar product share a house/family name	Pedigree (Mars)
	Dual brands	Two or more brand names equally prominent, often corporate name appear with the product name	Kellogg´s
	Endorsed brands	Product brand dominant but endorsed by a small representation of a corporation/house name	Nestlé
	Brand-dominant brand	A strong product brand, producer not in an important role	Procter & Gamble
	Furtive brands	The name of the producer not mentioned in the product	Flora (Unilever)
Urde (2003)	Corporate brand	A brand has an individual identity but shared core values	Volvo
	Product brand	A brand has both an individual identity and individual core values	Husqvarna, Flymo and AEG in The Electrolux Group
	Corporate and product brand	A brand has both a shared identity and shared core values	SAS Eurobonus
	Product and corporate brand	A brand has a shared identity but individual core values	Nicorette in Pharmacia Corporation

clarifying examples. Although Aaker and Joachimsthaler´s (2000b) and Keller´s (2008) models are perhaps the most referred in the branding literature, also other models are useful. It is important for the execution of this study only to know that different brand hierarchies and brand hierarchy levels exist but the determining of the right brand hierarchy for specific companies is a secondary matter. Thus, it is assumed that the companies already have an existing brand hierarchy. Almost all the companies use a mixture of more than one brand hierarchy (Aaker & Joachimsthaler 2000b; Laforet & Saunders 1999). However, nearly all the hierarchies presented below make the division between corporate-dominant, product-dominant and mixed structures mentioned by Laforet and Saunders (1999). Consequently, this study concentrates on the distinction between these three branding strategies. Next, they are discussed separately by bringing forth typical characteristics of each strategy.

2.2.1 Product-dominant branding

As described above, until the last decades, the word “brand” was assumed to imply to a preferred and differentiated product. Product brand building is still today high on the manufacturing companies´ agenda. It is almost the only way to demonstrate differentiation and it is a key success or a failure factor (Olins 2000). When the technical product characteristics are not anymore superior to the competitors´ products, then a strong brand can create added value to the products. However, it is still quite common that product brand building focuses solely on product attributes. When buying products the customers do not just think for example about the quality of the product; instead they also think about the feelings the product delivers, the values and symbols it represents, the company behind the product and so on. If the product brand building strategy is lacking these aspects of the brand and it is merely focusing on the physical product attributes, it is very hard to differentiate the product, and superior benefits would be easy to copy (Aaker 1996, 75). Figure 2. shows how a brand includes not just the features of a product but also for example organizational associations, symbols and personality. Consequently, a brand is a name, symbol, design, or mark that enhances the value of a product beyond its functional purpose (Farquhar 1989).

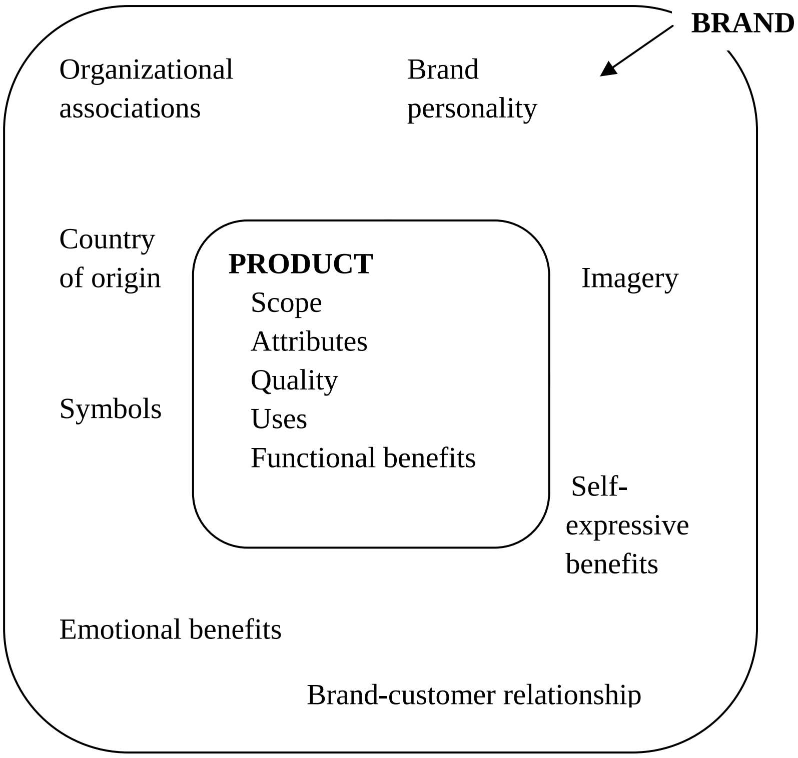

Figure 2. The distinction between a product and a brand (Aaker 1996a, 74).

McDonald, de Chernatony and Harris (2001) argue that a company using a product-dominant brand strategy will experience less damage to its corporate image in case one of its individual brands fails. Any negative publicity associated with the company will ultimately spill over onto all it labels with its name (Hatch & Schultz 2001). Therefore, for companies operating for example in oil or chemical industries it could be better to use individual product brands. A product-dominant brand is also more flexible than a corporate brand which allows companies to position and appeal to different segments in different markets (Xie & Boggs 2006). Additionally, if the mission of the company is to create and then sell off successful product brands, having a unified corporate brand does not make any sense (Hatch & Schultz 2001). Finally, the product-dominant branding might prevent a channel or distribution conflict between different brands (Aaker & Joachimsthaler 2000b). However, targeting different small segments through different brands can increase the marketing costs and lower brand profitability (Xie & Boggs 2006).

Characteristics of product brands

Traditional product brands have many distinctive characteristics (Table 2.). First of all, product brands focus attention to the ultimate product, both to its physical attributes and to the emotions and associations it creates. Secondly, middle managers are usually responsible for the product branding and they manage the process. Middle managers create the values for the brand what makes them often contrive and not based on commonly approved rationales. Furthermore, product branding relates in terms of attraction and support to consumers or customers. The primarily target is to focus on consumers through a variety of individual products and services with distinct product names. Employees, stockholders and other external stakeholders are seen as less important target groups, as the Table 3. (see pg. 26) shows. Product branding is usually handled within the marketing department of a company and using normal marketing communication tools. Thus, it is not necessary to involve all the corporate levels in the branding process. Moreover, product brands live in the present and they are short-term in their ambitious to help deliver sales and attract potential customers. This creates an occasional need to freshen the product brands with innovative ad campaigns. Finally, all the above characteristics of product brands require tactical and functional decision making. (Hatch & Schultz 2001; Gylling & Lindberg-Repo 2005; Balmer 2003.)

Table 2. The differences between product-dominant and corporate-dominant branding (adapted from Hatch & Schultz 2001 and Balmer 2003).

	Product-dominant brand	**Corporate-dominant brand**
Focus attention on	The product	The company
Managed by	Middle manager	CEO
Attract attention and gain support of	Customers	Multiple stakeholders
Delivered by	Marketing	Whole company
Communication mix	Marketing communications	Total corporate communication
Time horizon	Short (life of product)	Long (life of company)
Importance to company	Functional	Strategic
Values	Mainly contrived	Those of founder(s) + mix of corporate values + values of other sub-cultures

2.2.2 Corporate-dominant branding

Corporate branding builds on the tradition of product branding (Xie & Boggs 2006), and it is a result of the inability of product branding to answer to the needs of fragmented and instable markets. Imitation and homogenization of products are making the differentiation more difficult, and that is why not only the products but also the company needs to be positioned (Hatch & Schultz 2003). The first mentions of corporate branding in the literature were made in the early 1990s (Balmer & Gray 2003). King implied in 1991 that the consumers´ choice will less and less depend on the functional benefits of products and services. Instead, they would be more aware of the people in the company behind it, their skills, attitudes, design, style, behavior, language, modes of communication and so on. Basically the customers were increasingly putting more value on the whole culture of the company.

King´s (1991) findings were updated in the latter half of the 1990s when gradually the phenomenon became more valued among the scholars, consultants and managers (Balmer & Gray 2003; Schultz & de Chernatony 2002). At first managers used to interpret corporate branding only through the company´s name. It was seen as a strategic process to leverage the equity in the company´s name across an expanding portfolio of products and services (de Chernatony 2002). Corporate brands were also held as differentiating tools although it was later realized that a brand was not just a nice logo or powerful advertising, instead it resulted from management of company´s culture, value and relationships. Consequently, managers and academics realized that companies with strong corporate brands can have market values twice as big as their book values (Hatch & Schultz 2001).

Like defining a brand, there are also numerous definitions in the academic literature for corporate branding. In their definition, Knox and Bickerton (2003) take account the organizational culture by saying that “corporate branding is the visual, verbal and behavioral expression of an organization´s unique business model”. Additionally, a corporate brand is also a set of symbols allowing stakeholders to make their own meanings in the context of their own lives (Hatch & Schultz 2003). At their best these symbols are robust enough to allow people across cultures to share symbols even though they do not share the same meaning (Hatch & Schultz 2001). Corporate brand is a mean to make known the attributes of the organization´s identity by using a clearly defined branding proposition (Balmer 2001).

Corporate branding is a philosophy that gives an organization a clear and publicly stated sense of what it stands for (Inskip 2004). The underlying corporate values can be for example innovation, customer focus, local orientation, a drive for quality and concern for the environment and they are created by the people, culture, programs and values of the company (Aaker 1996a, 82-83). Financial stability, long range experience, global coverage, world class and technical leadership are also attributes of corporate brand that the customers or stakeholders value (Mudambi, Doyle & Wong 1997).

Also Muzellec and Lambkin (2009) combine the concepts of brand hierarchy and corporate brand by saying that corporate brand can be a trade name, a business brand or a holistic corporate brand. In the preceding the corporate name is a trade name which is not actively promoted and it acts as a simple umbrella name for a collection of independent brands. The brand marketing focuses on the management of individual product brands whereas the corporate brand name acts as a flagship for employees and may be associated with values promoted to internal stakeholders. The middle corporate brand identity, the business brand, focuses primarily on business stakeholders and other social partners while the relationships with the customers are handled through the product brands. Thus, different images are promoted to different stakeholders. The holistic corporate brand strategy sees corporate brand identity as a holistic brand which is both a corporate and a consumer brand at the same time. Consequently, this refers to a typical branded house brand hierarchy. (Muzellec & Lambkin 2009.)

Corporate branding shares the same objectives with product branding since it also targets to create differentiation and preference (Knox & Bickerton 2003). It represents an opportunity to enhance and sustain their distinctiveness through linking corporate characteristics to products, and thus allowing unique synergies to be developed (Anisimova 2007). In addition to differentiation, Balmer (2001) adds also communication and enhancement as the main objectives of corporate branding.

Corporate brand should communicate clearly and consistently the promise which is intrinsic to the corporate brand as well as enhance the esteem and loyalty of the customers and other stakeholders towards the organization. Moreover, it also creates a feeling of belonging (Hatch & Schultz 2003). A strong corporate brand expresses the values and/or sources of desire that attract key stakeholders to the company and encourage them to feel a sense of belonging to it. To conclude, corporate brands can increase the visibility, recognition and reputation of the company in ways not fully appreciated by product brand thinking.

Table 3. Target stakeholders of product-dominant and corporate-dominant branding (adapted from Kapferer 1992, 173).

Target stakeholders	Product branding	Corporate branding
Customers	+++++	+
Trade associations	++++	+
Employees	+++	++
Suppliers	+++	+++
Press	+++	+++
Local community	++	++++
Regulatory authorities	+	++++
Financial markets	+	+++++
Stockholders	+	+++++

+ = a company´s emphasis towards different stakeholders. The emphasis grows along with the number of crosses

Characteristics of corporate brands

Corporate brands have their own distinctive characteristics that differentiate them from traditional product branding (see Table 2. in pg. 23). The focus of corporate branding is the entire company, not the individual products. In order to shift the focus successfully, everyone in the organization should be responsible for the corporate brand and its maintenance. This requires constant support, commitment and attention from the chief executives and management board. Moreover, when the top management is responsible for the branding, it is part of the long-term strategic planning of the company. Corporate brands need to respond to the expectations of multiple stakeholders, starting from the internal stakeholders and reaching all the way to the external stakeholders and networks, such as stockholders, financial markets and authorities (Table 3.). Corporate-dominant branding strategy underpins organizational efforts to communicate, differentiate, and enhance the brand among the key stakeholder groups and networks (Balmer 2001). This is essential since corporate branding demands many more contact points than traditional product branding and the stakeholder group is much more diverse. The relationship between the stakeholder and the company is more important than relating to the stakeholders through a variety of individual products. (Hatch & Schultz 2001; Balmer 2003.)

All employees represent the corporate brand and affect the perceptions of the external stakeholders (Harris & de Chernatony 2001; Hatch & Schultz 2003). Therefore greater coordination and consistency between internal stakeholders is needed to present a coherent corporate brand identity. Values of the corporate brand have to resonate with the tacit meanings and values that employees hold and use (Hatch & Schultz 2003). Corporate branding enables organizations to focus on having relationships with people. It is much easier for the consumers to relate to a company which consists of people rather than objects (Aaker 1992, 58). People increasingly understand that the company's intangible assets are important sources of competitive advantage. Also the brand's emotional values, expressed through the staff, are more and more important. The staff and customers nowadays co-produce service brands and the satisfaction depends on the way the staff behaves and advertised brand promise (de Chernatony & Harris 2000). As King (1991) puts it, today the discriminators of a purchase situation are not any more products; instead they are the employees and their behavior, values and styles.

The diversity of contact points with the stakeholders also requires much more diverse communication media. While advertising is an important communication tool in products branding, in corporate branding everything from face-to-face contact to Internet and general publicity is used (King 1991). A corporate brand is made known to the stakeholders through multiple channels of communication. Total corporate communication includes primarily performance of products and services, organizational policies, behavior of the CEO and the personnel as well as experience of the personnel. Secondary communication tools are those typically carried out by the marketing department. Thus, instead of the marketing department to deliver the corporate brand messages, the whole company and all departments are part of the corporate brand promise and their behavior is as crucial as the behavior of the marketing personnel. Finally, the corporate brand is based on values held by the personnel. These values are a mix the corporate sub-cultures, personal values and corporate-wide values. (Hatch & Schultz 2001; Gylling & Lindberg-Repo 2005; Balmer 2003.)

Aaker and Joachimsthaler (2000b) argue that if the company is applying corporate-dominant branding, the corporate brand has to contribute and add value to the products. It can add associations that enhance the value proposition and make the products more appealing in the eyes of the customer. It can also provide credibility to the product with strong organizational associations, such as quality, innovation and trust. So the customers know what they can expect from the products of the company. Consequently, the synergies between the product and corporate brands are stronger in corporate-dominant branding. (Aaker & Joachimsthaler 2000b.)

Especially during a new product launch, the corporate brand can give and share visibility with the product. It is also acknowledged that corporate-dominant branding is more positively related to the intangible firm value than product-dominant and mixed branding (Rao, Agarwal & Dahlhoff 2004). Especially financial investors seem to better notice companies choosing corporate-dominant branding strategies. In addition, prior corporate brand building efforts, as well as ads and publicity created before can be adapted or used directly with new product entries. This results in great cost advantages. In addition, if a company is competing in turbulent markets where product life cycles have shortened, and thus making it difficult to recover the costs of continually creating new product brands, it makes sense to use a corporate brand to support all the products (Hatch & Schultz 2001). However, it is important to remember also that brand extension or brand endorsement must support and enhance the corporate brand associations. If the boundaries of the corporate brand are stretched too far, customers will become confused and the brand equity will be damaged. (Aaker & Joachimsthaler 2000b.)

2.2.3 Mixed branding

Companies may also choose a branding strategy that is neither of the far ends of the brand hierarchy; instead it is something from the middle. In a mixed branding strategy, firms typically employ a set of house or family brand in their brand portfolio, in addition to using the corporate name for certain products (Rao et al., 2004). When employing mixed branding strategy, a company must decide how much emphasis each individual brand puts on the combined brand (Keller 2003, 557). Usually, a name appearing first is more prominent, larger, and looks more distinctive. If the corporate name is more prominent, the product would be more easily associated with the other products under the same corporate name. Thus, customers would be more likely to transfer corporate brand associations to the product brands (Keller 2003, 558). Instead, if the individual product brand name is more prominent, the product would most likely take on a more distinct positioning. In this case, the corporate name would give more awareness and perhaps broader and more abstract associations, such as perceived quality or brand personality. However, the main idea of mixed branding is that neither the corporate nor the individual brand names dominate; instead they gain synergies.

The mixed branding strategy can provide both the benefits of the corporate-dominant brand strategy and the possibility to create separate product-class associations for various brands of the firm (Rao et al., 2004). Both the mixed branding and product-dominant branding strategy can help prevent cannibalization if a firm wants to operate with more than one brand in the same market. Mixed brands are useful if company markets products targeted at different segments since they enable the firm to serve different market segments better by customizing offers more precisely to the target segment’s needs (Rao et al., 2004). According to Aaker and Joachimsthaler (2000a, 206), these mixed or subsidiary brands both play driver roles and they gain advantage by combining the brand equities of the single brands. They gain symbiotically from the reputation of a corporate brand name and the individuality of a unique brand name (Laforet & Saunders 1999). Thus, these brand combinations create synergies and flexibility. For example, there is evidence that the addition of a corporate name to a brand name increases the consumers´ perception of the brand and preference for it (Saunders & Guoqun 1997).

The product brand takes advantage in its advertising from the company´s heritage, while at the same time promotes itself and helps to build the brand equity of the corporate brand (Laforet & Saunders 1999). Therefore, mixed brands should make the associations of the each single brand stronger. In practice this mutual support can help to gain shelf space and build market share (Laforet & Saunders 1999). However, neither of the brands should harm the other brand. Especially the brand equity of the corporate brand should be maintained and not be damaged by overextending the brand. Consequently, the idea is to find a partner brand that helps to make the whole brand combination better with the help of convenient and complementary associations (Aaker & Joachimsthaler 2000a, 206-208.)

Summary of the main brand hierarchy strategies

As a summary it could be said that in the product-dominant branding strategy the individual product brands are more important than the corporate brand. More marketing investments and resources are allocated to the product brands so that they would be as tempting as possible to the customers. The corporate brand stands aside as a contact point for the partners and investors and as an employer for the internal stakeholders. On the contrary, in the corporate-dominant branding strategy the corporate brand shares its brand name with all of the products so that for the customers the corporate and product brands act as the one and the same. In this case the benefits of corporate brands can be extended to the product brands as well. However, the corporate-dominant branding strategy also requires more attention to the synergies and interaction between the brands. The intermediate forms of product-dominant and corporate-dominant branding strategies involve mixed branding since they combine product and corporate brands. Consequently, also the advantages and disadvantages of product –dominant and corporate-dominant branding have to be taken into account in such branding strategies.

3 BRAND EQUITY

After the different brand hierarchy levels have been discussed about, this chapter focuses on the added value created by brands in different brand hierarchy levels, the brand equity. Since the research questions of this study discuss about the formation and transferability of brand equity, it is crucial to go deep into the topic by first explaining the actual meaning of brand equity and brand equity assets. After that these different brand equity assets are discussed in hierarchical context, in other words, how they are created in product and corporate brand levels. Product and corporate brand equities are formed in a different way and these differences are presented and summarized finally in a table.

3.1 The concept of brand equity

The definitions of brand equity can be categorized in the literature into customer-level, financial-level and product-level definitions (Chattopadhyay, Shivani & Krishnan 2008). Farquhar (1989) defines brand equity as an intangible asset that depends on the associations made by the consumers, and thus, this is one of the consumer-level definitions. All in all, the customer-based definitions agree that a strong brand increases the strength of customers´ attitude towards the product associated with the brand and it is the added value of the brand to the customers (Chattopadhyay et al. 2008). According to the American Marketing Association, “from a consumer perspective brand equity is based on consumer attitudes about positive brand attributes and favorable consequences of brand use”. The Marketing Science Institute (1990) in turn defines brand equity as the set of associations and behaviors on the part of a brand's customers and channel members what allows the brand to gain greater volume and margins than it could obtain without the brand name.

Financial definitions for brand equity represent it as an incremental contribution (in $) per year obtained by the brand in comparison to the underlying product with no brand building efforts (Srinivasan, Park & Chang 2005). Usually the financial approaches talk about brand value instead of brand equity (e.g. Feldwick 1998; Simon & Sullivan 1993). The goal of brand valuation is to either set a price when the brand is sold or to include it as an intangible asset on a balance sheet (Feldwick 1998, 88). Brand equity can be used to build stable long-term demand, build and maintain profit margins, add value to a product, provide a base for expansion into new products or markets, and protect the company against increasingly strong intermediaries (King, 1991). Companies that have a strong brand equity have the possibility to compete both with price and specifications (Aaker & Joachimsthaler 2000a), and it is also a platform for new products and licensing (Farqurah 1989).

In the product-level, brand equity is often described to be a synonymous with price premium which is the willingness of the consumers to pay more for a brand compared to other brands. Just like the branding itself, also brand equity was first related only to product branding. Brand equity is a set of brand assets and liabilities linked to a brand name and symbol and it adds or subtracts the value of the product (Aaker 1992, 56). This is the definition of brand equity used in this study. Aaker (1996a, 8-9) also defines that the things creating brand equity are brand loyalty, brand awareness, perceived quality, brand associations and other proprietary brand assets (Figure 3.). Thus, brand equity does not just reflect the strengths a brand has over its competitors. Instead it also includes the responsibilities the brand has to its stakeholders. For example, strong brand loyalty is strength and a measure of trust but it also contains a demand for the brand to take care of its loyal stakeholders. Although Aaker´s definition of brand equity and the division of brand equity assets only mention product branding, in this study it is also used for defining corporate brand equity.

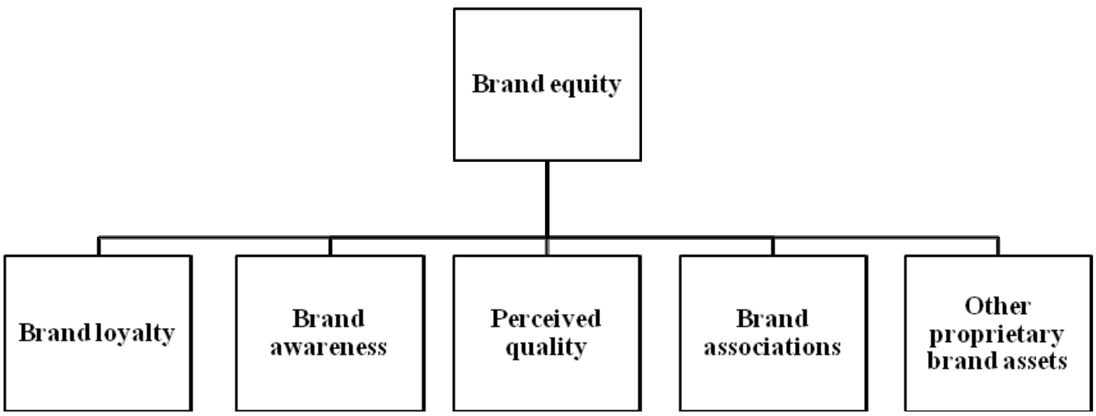

Figure 3. Brand equity assets (Aaker 1996a, 8).

3.2 Brand assets that create brand equity

Each of the brand equity assets creates value in many different ways and thus, the management should be aware of the assets that are valuable for the stakeholders of this specific brand. Brand equity creates added value to the customers and other stakeholders in the supply chain as well as to the company and its employees. The assets and liabilities that are basis of the brand equity must be linked to the name and symbol of the brand. (Aaker 1996a, 8-9.)

Different brand assets may be linked to each other. For example, customer satisfaction and loyalty increases with perceived quality (Anderson & Sullivan 1993). In addition, quality which falls short of expectations has a greater impact on satisfaction than quality which exceeds expectations. In contrast, if quality is ambiguous or difficult to evaluate, then expectations play a greater role in determining satisfaction and loyalty (Anderson & Sullivan 1993). According to Chandon (2003), deep and broad brand awareness is a prerequisite for strong, favorable and unique brand associations which in turn has to be created before positive and accessible brand evaluation is possible. Brand associations are emerging from the perceptions of brand´s functional and emotional image and benefits. After customers have rationally and emotionally evaluated the brand, they might become loyal to it.

The last assets of Aaker´s model (1996a, 8), other proprietary brand assets, such as patents and trademarks, are valuable but they are tied to a physical product or process, and therefore not to the exact brand (Lehmann & Winer 2002, 254). Thus, they are not discussed hereafter.

3.3 A hierarchical view of brand equity

In this study, the product and corporate brand equities are looked separately by utilizing Aaker’s categorization of brand equity assets (1996a, 8) (see Figure 5.). Traditionally brand equity is used to define the added value created by product brands. However, at the same time when the interest towards corporate branding has grown, also the concept of corporate brand equity has become more recognized. All in all, brand elements at each level of the hierarchy may contribute to brand equity through their ability to create awareness, brand loyalty, and foster strong, unique, and favorable brand associations (Keller 2000).

3.3.1 Product brand equity

“The heart of a great brand is variably a great product”. This statement by Keller (2008, 194) summarizes well the primary idea behind branding. The traditional and actually almost all the present academic literature regarding brand equity is looking at product brand equity. Thus, it can be assumed that if there is not a particular mention of *corporate* brand equity, the writer means *product* brand equity. For example, Aaker´s brand equity asset model (1996a) represents the added value created by the products to the customers and the company.

Product brand loyalty

The strongest measure of a brand´s value is the loyalty it creates among customers (Lehmann & Winer 2002, 254). It is “the biased (non-random) behavioral response (purchase) expressed over time by some decision-making unit with respect to one or more alternative brands out of a set of brands and is a function of psychological processes” (Jacoby 1971). Brand loyalty is usually measured in a behavioral sense through the number of repeat purchases (Keller 2003, 104). More specific behavioral brand loyalty measures are the existence of brand switching, loyalty type (sole, dual or multi-brand), purchase frequency and proportion of sole buyers (Rundle-Thiele & Bennet 2001). Brand loyalty can also be based on attitudinal factors, such as commitment (Rundle-Thiele & Bennet 2001). All in all, perceived risk, inertia, habit, satisfaction and involvement drive the loyalty of stakeholders (Rundle-Thiele & Bennet 2001).

The strongest form of loyalty is attachment when the customer persistently looks for a product that it links to a certain buying situation based on prior consumption. Highly loyal customers generate sales and profit stream that are easy to predict (Lehmann & Winer 2002, 254). Keeping the existing customers is also much cheaper in a marketing point of view than attracting new ones. Additionally, loyalty creates a substantial entry barrier to competitors. Customer loyalty especially among existing customer can be enhanced through frequent-buyer programs, customer clubs and database marketing (Aaker 1996a, 21). However, the company must remember that customers´ trust and credibility towards a company can be taken away at any time so building and maintaining brand equity is consistent work (Frischmann 2008). Consequently, brand loyalty is a signal to the brand that it has consistently earned the trust of the stakeholders and demonstrates credibility over time (Frischmann 2008). The more a brand delivers the expected value to the customers, the more customers´ trust and credibility increases towards the brand.

Product brand awareness

The next brand asset in the categorization is brand awareness which refers to the strength of a brand´s presence in the customer´s mind. Brand awareness is more than just customers knowing the brand name. Instead it also involves linking the brand – the brand name, logo, symbol, and so forth – to certain associations in memory (Hoeffler & Keller 2002). The simplest form of awareness is recognition or familiarity. As meaning slightly different things, brand recognition is the ability of the consumer to confirm prior exposure to the brand (Hoeffler & Keller 2002), where as brand familiarity is directly related to the time spent processing information about the brand (Baker, Hutchinson, Moore & Nedungadi 1985). It can alone result in more positive feelings towards a brand by for example giving the customer a feeling of confidence and reduced risk. It is also a fact that customers prefer brands that are familiar. Choosing a known brand also gives a justification for choosing that brand. The next level of awareness is recall that occurs when the brand comes unaided into consumers´ minds when its product class is mentioned as a cue. If a brand is recognized, it does not necessary mean that customers will recall it. It is one thing to be remembered but it is another thing to be remembered for the right reasons. The ultimate awareness level is brand name dominance when most customers can only provide the name of a single brand. (Aaker 1996a, 21; Lehmann & Winer 2002, 254.)

Brand awareness may have a considerable effect on consumer choice. Brand awareness is a prevalent choice tactic among inexperienced customers facing a new decision task. After the consumers gain more experience with the choice task, the use of awareness as a choice tactic declines. Moreover, consumers who are aware of one brand in a choice set tend to sample fewer brands across a series of product trails. In addition, these consumers tend to choose the known brand even when it is lower in quality than other brands. In other words, the presence of a known brand in a choice set may have a negative effect on the consumer´s ability to detect differences in product quality across brands. The importance of quality as a choice tactic increases when the consumers gain more familiarity with the decision situation. However, the effects of awareness on choice may persist beyond the consumer´s first choice from a product category. All in all, there is a positive link between brand familiarity and choice. (Hoyer & Brown 1990.)

Brand awareness also has a favorable impact on the response of advertising, since customers who are familiar with the brand have more positive evaluation in response to advertising (Calder & Sternthal 1980). Usually when making a high-involvement purchase, information about the most attractive brand is acquired before making a choice (Simonson, Huber & Payne 1988). In addition, consumers use highly familiar brands to help them gauge the pricing level of stores (Lal & Narasimhan 1996). Thus, stores are more likely to advertise these brands to convey favorable image to consumers. The downside is that this usually leads to lower retail margin for the advertised brand since it is a focal attraction (Lal & Narasimhan 1996).

Perceived quality of a product

Perceived quality is defined as customers´ perception of the overall quality or superiority of a product (or a brand) relative to relevant alternatives and with respect to its intended purposes (Keller 2003, 238). These perceptions are based on customer´s own and others´ experiences, plus various other sources including brand image, price and advertising (Zeithaml 1988). Perceived quality is the only brand association that is shown to drive financial performance. Furthermore, a brand often has strong price associations that also influence the quality perceptions. Creating a quality product or service does not mean that the customer perceptions are created at the same time. Previously experienced bad quality can cause the disharmony between the real and perceived quality. In addition, customers may not value the specific dimensions where a company has achieved quality or they might be lacking quality association cues or use wrong cues. When perceived quality improves, so do usually the other elements of customer´s brand perceptions. (Aaker 1996a, 21; Lehmann & Winer 2002, 254.)

The objective quality and perceived quality are not the same things. It is not quality per se but customers´ perceptions of quality that drive preferences and consequently satisfaction, loyalty, sales, and profitability (Aaker & Jacobson 1994). A change in objective quality is not fully affecting the customers´ perception of quality until after a while (Mitra & Golder 2006). The decrease in objective quality has larger and quicker effects on the perceived quality than an equivalent increase (Mitra & Golder 2006). If consumers believe that there are large quality differences among brands, they tend to use price as a product quality cue (Obermiller & Wheatley 1985).

Product brand associations

Brands can also include other associations than quality associations. Brand associations are informational nodes linked to the brand node in memory, containing the meaning of the brand for consumer (Keller 2003). Brand associations are driven by the vision of what the company wants to stand in the customer´s mind (Lehmann & Winer 2002, 254). Through marketing a company can try to communicate the favorable, strong, and unique brand associations that it wants to link to the brand in memory. These associations are the basis of strong brand equity (Keller 2003, 70). Actually, brand equity is supported in great part by the associations that stakeholders make with a brand. Associations create value to the brand by helping to process and retrieving information, differentiating the brand, generating a reason to buy, creating positive attitudes and feelings as well as providing a basis for extension. In general, the greater the number of all brand associations, the higher the brand equity. (Chen 2001.)

Brand associations come in all forms and may reflect the characteristics of the brand or aspects independent of the brand itself (Chen 2001). Chen (2001) categorizes brand associations to product and organizational associations; the latter here refers to corporate brand associations. Different product brand associations include functional attribute and non-functional attribute associations, whereas corporate brand associations are either corporate ability or corporate responsibility associations (Figure 4.). The figure also gives examples of specific associations. Corporate brand associations are discussed later in page 41.

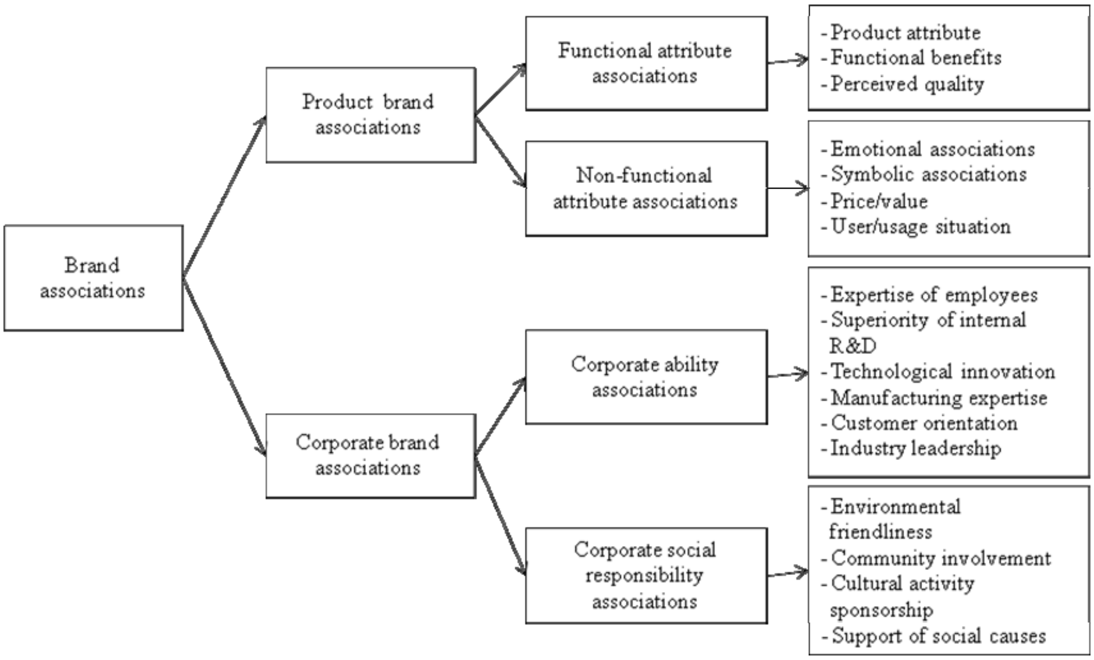

Figure 4. Product and corporate brand associations (adapted from Chen 2001).

3.3.2 Corporate brand equity

As noted previously, the concept of corporate brand equity is not mentioned often and it is lacking academic research. However, as there are differences between product and corporate brands, there must also be differences between product and corporate brand equities. Corporate brands have their distinct characteristics (see chapter 2.2.3) and the added value they create to the different stakeholders are formed from different sources than product brand equity. According to Keller (2008, 449), “corporate brand equity is 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 entity”. In other words, when the corporate brand equity is positive, the relevant stakeholders respond favorably to corporate ad campaigns and corporate-branded products and services in contrast to the same offerings provided by an unknown company. In comparison to product brand equity, corporate brand equity encompasses a much wider range of associations (Keller 2000).

Corporate brand loyalty

Everything what a company does affects the corporate brand in the eyes of the customer (Frischmann 2008). Consumer loyalty towards a corporate brand is developed when a brand is used in the consumer social environments and social situations (Sen, Bhattachraya & Korchun 2006). Also corporate core values can increase consumer loyalty towards a company. Given that companies are increasingly attempting to differentiate through associations, values and attitudes symbolized by the organization as a whole, knowing how customers feel towards them is vital. Especially corporate-level intangible assets help organizations in developing multidimensional relationships with consumers beyond traditional product and brands (Sen et al. 2006). Thus, a deep and committed relationship between a consumer and a company engenders loyalty to the company rather than to a specific brand (Bhattacharya & Sen 2003).

The degree of customer loyalty towards a company has a tendency of being higher when perceptions of both corporate reputation and corporate image are favorable (Nguyen & Leblanc 2001). Furthermore, favorable and unique corporate personality features impact favorably on corporate brand loyalty. In addition, functional benefits of a brand and brand symbolism seem to be important predictors of loyalty. For complex and infrequently purchased durables, a corporate brand is a crucial predictor of consumer loyalty. (Anisimova 2007.)

Corporate brand awareness

People seem to have both more positive and more negative associations with companies that are familiar (Brooks, Highhouse, Russell & Mohr 2003). Although it is often assumed that things that are familiar to people cause them to experience a “glow of warmth” (Titchener via Brooks et al. 2003), enriched companies attract also more easily negative associations than impoverished companies. In other words, enriched companies are both the most admirable as well as the most contemptible companies. The reason for these ambivalent associations is the degree of information. Knowing more about the company leads to more available information for retrieval, whether the information is positive or negative.

Reputations of companies are based on either recall of prior impressions of the companies or on recall of specific stories about them (Keller 2003, 456). Thus, people´s awareness of the company and its brand are based on the prior own and other´s experience as well as to the information they get from the company through media and retrieved by the company. However, it is also argued that better known companies are associated with positive features to a greater degree than negative features (Brooks et al. 2003).

Perceived quality of a company

An organizational commitment to quality will result in or support a claim of product quality, but it nevertheless has a different focus (Aaker 1996, 116). External quality requirements and perceptions affect the way quality is managed in companies and how big a role total quality management has in companies. If a company has a total quality management program, it is likely to affect positively the stakeholders´ perception of quality. Thus, many companies are committed to quality or to being "the best" at what they do (Aaker 1996, 123). A high-quality corporate image association involves the creation of customer perceptions that a company makes products of the highest quality (Keller 2000). In order to do this, the employees need to understand how their roles fit into the brand promise and how they are expected to embody the company values (Frischmann 2008).

McGuire, Schneeweis and Branch (1990) distinguish eight organizational attributes that characterize overall firm quality. They are quality of management, quality of products and services, innovativeness, long-term investment value, financial soundness, ability to attract, develop and keep talented people, community and environmental responsibility, and use of corporate assets. In addition, managerial knowledge of quality, corporate support for quality, past quality performance and marketplace environment (i.e. degree of competition) can have an influence on the quality perceptions (Benson, Saraph & Schroeder 1991).

Perceptions of overall firm quality usually reflect previous risk and return characteristics and vice versa. A high perception of firm and management quality correlate with future reported measures of financial performance, such as subsequent firm sales and operating income growth. Perceptions of firm quality enhance the ability of firms to obtain lower costs of capital to increase investor interest, and to signal to the public future expected performance. However, the strong positive bilateral relationship between prior perceived firm quality and future financial performance is not certain. In other words, although previous financial performance of a firm had an effect on the perceptions of firm quality, it is not a guaranty that it will do so to subsequent perceived quality as well. (McGuire, Schneeweis & Branch 1990.)

Corporate brand associations

Corporate brand associations refers to all the information that a person has about a corporate brand, such as perceptions, inferences, and beliefs about a company; a person´s knowledge of his or her prior behaviors with respect to the company; information about the company´s prior actions; moods and emotions experienced by the person with respect to the company; and overall and specific evaluations of the company and its perceived attributes (Brown & Dacin 1997). The primary function of corporate brand associations is to provide credibility (Aaker 1996, 133). Corporate credibility refers to the extent to which customers or other stakeholders believe that a firm can design and deliver products and services that satisfy their needs and wants (Keller 2000). It depends on corporate expertise, corporate trustworthiness and corporate likability (Keller 2000), as well as perceived reliability and truthfulness (Newell & Goldsmith 2001). In addition to better satisfying the customer needs, a strong and credible corporate reputation can also help to attract better-qualified employees, motivate existing employees to be more productive and loyal, and help a firm to survive a brand crisis and avert public outrage (Keller 2000).

According to Aaker (1996, 4), corporate associations can be driven by the values and culture, people, programs, or assets and skills of the company. These organizational characteristics can provide a basis for differentiation, a value proposition, and a customer relationship. Companies can run corporate image ad campaign as a means to describe to different stakeholders the philosophy and actions of the company with respect to organizational, social, political, or economic issues (Keller 2000).

There are several different distinctions of corporate brand associations. Aaker (1996, 4) separates the different organizational associations to society/community orientation, perceived quality, innovation, concern for customers, presence and success, and local vs. global. Instead, Keller (2000) categorizes associations linked to a corporate brand to common product attributes, benefits, or attitudes, people and relationships, values and programs, and corporate credibility. Berens and van Riel (2004) compressed the different organizational associations into three main streams: social expectations, corporate personality and trust. Finally, Chen (2001) argue that all the corporate associations are either corporate ability or corporate social responsibility associations (see the Figure 4 in pg. 38).

Corporate ability associations are related to the company´s expertise in producing and delivering its outputs (Dacin & Brown 1997). These associations have a greater impact on both specific product attribute perceptions and the overall corporate evaluation than a reputation based on social responsibility associations (Brown & Dacin 1997). Social responsibility associations, in turn, are the expectations that stakeholders have regarding the behavior of companies in society, such as delivering good products, having a good financial performance and limiting environmental damage (Berens & van Riel 2004). Being a “good citizen” may generate feelings of respect, admiration, and liking that can help the company by contributing to customer relationships and stock markets (Aaker 1996, 120-122). However, social responsibility associations are difficult to retrieve from the stakeholders´ memory and thus the outcomes of social responsibility action results are not easily ascertained (Chen 2001).

A corporate brand can create a much wider range of associations than a product brand (Keller 2008, 449). Organizational associations differ from the product associations but they can still be influenced by product associations and vice versa (Aaker 1996a, 117). Thus, what customers know about a company can influence their reactions to the company´s products (Brown & Dacin 1997). Sometimes some associations, such as perceived quality, can be both corporate-related and product-related (Aaker 1996, 117-118). Moreover, if a product is missing attributes, customers will use corporate associations to draw interferences about the product (Brown & Dacin 1997). However, there is a distinction between having innovative products and being an organization that is committed to innovation (Aaker 1996b).

Having innovative products is a reputation based on current offerings whereas being an innovative organization is more long-lasting.

Summary of the differences between product and corporate brand equity

As can be notices from the discussion above, product and corporate brand equity differ from each other. The basic statement is that the brand equity literature discusses only about product brand equity. Thus, it is easier to find the previous studies about different brand equity assets of a product brand. However, since corporate brand equity is lacking previous studies, it is impossible to find prior literature related to the individual brand equity assets of a corporate brand. Actually, brand equity assets have never before been discussed in the corporate brand context. Therefore, in this study for example organizational behavior and culture literature was reviewed in order to find clues about corporate brand equity assets. Consequently, the above descriptions about product and corporate brand equity assets cannot be flawlessly compared to each other.

4 REBRANDING

According to Farquhar (1989), brand equity can be gained by building it, borrowing it or buying it. Borrowing and buying brand equity can be accomplished through acquisitions. Instead, one way to build or actually to rebuild brand equity is to rebrand a product or a company. Rebranding, which is one way to increase or reform brand equity, is discussed next.

4.1 The concept of rebranding

In the business literature, rebranding has several complementary definitions. When dividing the word into two pieces, and again when looking from the dictionary, the prefix “re” is “used with the meaning “again” or “again and again” to indicate repetition” (Compact Unabridged Dictionary 1996). By taking the above described definition of “brand”, rebranding would mean to mark an object again in order to change its grade. However, in the academic literature rebranding usually indicated rather to a rebirth, not to restore or regain a previous state, image or reputation (Stuart & Muzellec 2004; Muzellec, Doogan & Lambkin 2003). Thus, rebranding means creating a new name, symbol, term, design or a combination of them for the established brand, in order to develop a differentiated position in the mind frame of stakeholders (Muzellec & Lambkin 2006) and a distinctive identity from competitors (Muzellec et al. 2003).

Stern (2006) defines rebranding as changing the name of the company or its targeting and positioning, in an attempt to attach new meanings to the corporate brand and communicate them to the stakeholders. Since the stakeholders do not know about what the new brand stands for, its values and image must be communicated to all stakeholders through an integrated marketing communications campaign (Daly & Moloney 2004). The primarily goal is to send a strong formal signal to stakeholders that something about the company is about to change or has already changed and/or to foster a new image (Muzellec & Lambkin 2006). Some researchers define the changes in rebranding to changing the name, brand aesthetics or repositioning the brand (Muzellec et al. 2003), whereas some connect it to changing the name, logo, slogan or a combination of them (Stuart & Muzellec 2004).

Muzellec and Lambkin (2009) are the only ones talking about vertical rebranding, that is the opportunity to assess the potential image transfers between corporate and product images regardless of whether they share the same name or not. However, there seems to be a consensus in the literature about evolutionary and revolutionary rebranding. Evolutionary rebranding refers to minor development in the company's positioning and aesthetics, such as slogan or logo change (Muzellec & Lambkin 2006; Stuart & Muzellec 2004). In the contrary, revolutionary rebranding causes major, identifiable change that fundamentally redefines the company (Muzellec & Lambkin 2006). In practice, the name, logo and slogan are usually changed simultaneously (Stuart & Muzellec 2004).

Through rebranding, the corporate aims to enhance, regain, transfer or recreate brand equity (Muzellec & Lambkin 2006). However, the value of a change should always be in a balance with the power of a hard-earned heritage and the value of consistency (Aaker 1996a, 236). The goal for a brand is to build brand equity that creates added value and can be used through time (Aaker 1996a, 236). The existing brand equity is the basis for the evolving and augmenting of the brand and the rebranding is not meant to give up or undercut the equity. It takes usually a very long time to build brand equity, and therefore the goal is to create an effective brand identity whose position and execution will endure and not become obsolete and/or tired (Aaker 1996a, 219). Doing so, the brand has the possibility to become the virtual owner of the position it is in and differentiate in that way.

In addition to unique position, brand identity consistency also makes it possible to own an effective identity symbol that enhances customers´ understanding and remembering of the brand identity and links it with the brand (Aaker 1996a, 222). Moreover, a consistent brand strategy reduces cost in a form of implementation of communication programs. Since consistency more likely results in a well known visual image that is closely associated with the brand, communicating, getting attention and changing perceptions becomes less expensive (Aaker 1996a, 223). Consequently, the motives for changing the brand identity and actions aiming to enhance, transfer or recreate brand equity should be based on a clear and argumented rationale. However, there are some inconsistencies concerning rebranding and current branding and reputation literature. Rebranding usually means to abandon the old name. However, at the same time this action nullifies years of branding effort in terms of creating awareness. Since brand awareness is a key component of brand equity, rebranding would damage or even destroy the brand equity (Muzellec & Lambkin 2006). This can be avoided if the brand is able to transfer the brand equity of the old brand to the new brand.

4.2 Triggers of rebranding

Companies would not start a costly operation like rebranding without a good reason. In addition to the total cost of a change in identity, getting rid-off the established brand name and training the employees also cost a lot (Stuart & Muzellec 2004). The main triggers of rebranding are changes in ownership structure, corporate strategy, competitive position or external environment (Table 4.) (Muzellec & Lambkin 2006). Examples of changes in the company’s structure and organization are mergers, spin-offs and turning to a public company. This trigger seems to be the most frequent cause of rebranding, as well as the most compelling reason for it (Muzellec et al. 2003). Usually the rebranding is necessary, since the old names, logos and slogans are then inappropriate (Stuart & Muzellec 2004).

The second trigger of rebranding stems from the need to foster a new image caused by a new strategic vision or focus of the company. In fact, the new corporate image is often viewed as a strategic tool aiming to align the current culture and existing images, with a new strategic vision (Gotsi & Andriopoulos 2007). Aaker and Joachimsthaler´s brand architecture discussion (2000) can be connected to this rationale. If the company desires towards corporate-dominant brand hierarchy, it might want to integrate diverse brands or geographical markets under a single corporate name. Muzellec and Lambkin (2009) calls this as an integration strategy. On the contrary, companies having a product-dominant brand hierarchy surely want to carry out rebranding in an attempt to create a separation between the corporate brand and its sub-units (Muzellec & Lambkin 2006). This strategy is called separation rebranding (Muzellec & Lambkin 2009).

Table 4. The triggers of rebranding (Muzellec & Lambkin 2006).

Change in ownership structure	**Change in corporate strategy**	**Change in competitive position**	**Change in external environment**
Mergers and acquisitions	Diversification and divestment/refocus	Erosion of market position	Legal obligation
Spin-offs and demergers	Internalization and localization	Outdated image	Major crises or catastrophes
Private to public ownership		Reputation problems	
Sponsorship			

Shifts in the marketplace caused by competitors, new competitors, and changes in the economic or legal conditions can also create a reason for rebranding. In addition, erasing negative brand equity or getting rid-off a social and moral baggage and presenting a new more socially responsible image, can be a rationale for the rebranding (Stuart & Muzellec 2004; Muzellec & Lambkin 2006). However, these changes in the competitive position or in the external environment usually have more subtle influences and they evolve gradually over time until reaching a critical point when the redefinition of the business is necessary (Muzellec et al. 2003). Many of the driving factors of rebranding emphasize the strategic and non-marketing values, such as money and achieving growth. However, the soft, marketing-related values - for example stakeholder communication - play a significant role in whether the rebranding exercise will succeed (Muzellec & Lambkin 2006). Consequently, if the rebranding is driven by internal factors as well as external ones, the change is justified and the result is more likely to be successful (Stuart & Muzellec 2004).

In this study the triggers of rebranding for the case company are the change in corporate strategy and competitive position. Especially the new company strategic vision and desire to change the image of both corporate and product brands are major drivers for the rebranding.

4.3 Choices of rebranding

Rebranding can be done in many ways. Lomax and Mador (2006) categorize different choices of branding in to a matrix according to a change of name and a change of values (Figure 5.). Companies in re-iterating quadrant do not see the need for rebranding since their values and attributes, as well as the name are seen to be appropriate. However, if a company executes a re-naming process, its name will be changed due to for example changes in ownership structure. Still its fundamental values, products, services and other attributes remain the same. In contrast, if the values and attributes are seen to be mismatching with the strong brand name, a company can re-define itself. Finally, if a totally new start is needed for a company in order to start from a clean table, it can change both its name and the underlying values. All in all, none of the quadrants is absolute, instead they are overlapping and the goals can be changed during the rebranding process.

		Name	
		Existing	**New**
Brand Values & Attributes	**Existing**	Re-Iterating Brand name and values are not changed, as they are congruent and address client needs	Re-Naming External perceptions are addressed through a change of name
	New	Re-Defining Values/attributes are changed to meet identified concerns, either external or internal	Re-Starting Both values and their presentation (name) are changed, to address fundamental problems

Figure 5. A typology of rebranding choices (Lomax & Mador 2006).

The rebranding literature mainly focuses on renaming and thus, also the majority of the theoretical discussion of rebranding concentrates in this study on the change of brand name. Renaming is the most comprehensive and riskiest form of rebranding (Daly & Moloney 2004). All in all, the name is a critical, core sign of the brand, the basis for awareness and communications effort and upon which the brand equity is built (Aaker 1991, 187). Individual brand and corporate brand names differ in the level of distinctiveness, semantics and management (Muzellec 2006). First of all, product brand names are aimed at attracting as much attention as possible, whereas corporate names have to be accepted by a wide audience. Thus, they cannot be too shocking. Secondly, individual product brand names are created so that they induce positive feelings in the marketplace. Corporate names, in turn, often reflect the inner identity, culture and values of the company. Finally, when product brand names are actively managed and monitored, corporate names are often inherited and regarded as given.

Furthermore, there are many different kinds of characterizations for types of brand names (e.g. Muzellec et al., 2003; Kapferer 1992; Daly & Moloney 2004). The company has several ways to find a new name; brainstorming, using specialized consultants and taking the employees part of the process just being few of the options. However, creativity is a vital part of the process. If the name of the company changes, it is also obviously important to have a new logo and slogan as well (Stuart & Muzellec 2004). In evolutionary rebranding where the name remains the same but the logo and/or slogan changes, it is still important that the new logo and/or slogan symbolize the organization and it is clear to stakeholders. Otherwise the change will be unnoticed or it will be regarded with suspicion and the value of the action is questionable (Stuart & Muzellec 2004).

There are three alternative rebranding strategies to transfer brand equity within the brand hierarchy. The first one is the most radical one since it includes changing the corporate name entirely and aligning all the constituent levels of the brand hierarchy under the same name. Secondly, the company can extend the positive associations related to its popular product brand throughout the entire company through an ascending strategy. This means that the name of the product brand and its brand attributes are leveraged to the upper levels of the brand hierarchy. Finally, the integration of the brand hierarchy can be achieved by aligning the business units with the corporate brand, which is called descending rebranding. The outcome of the rebranding, the resulting brand hierarchy, has both strengths and weaknesses, as described in chapter 2.2.1 *Product-dominant branding* and chapter 2.2.2 *Corporate-dominant branding*. (Muzellec & Lambkin 2009.)

4.4 Differences between corporate and product rebranding

Rebranding can be conceptualized also according to the hierarchical level of the organization where the rebranding occurs. Although traditionally rebranding is only related to rebranding a company, there are some exceptions in the literature. According to Muzellec et al. (2003), rebranding can occur in three different hierarchical levels: in corporate, business unit and product level. Rebranding in a corporate level refers to renaming of the whole corporate entity whereas rebranding a business unit inside a large company means a situation when a subsidiary or division is given a distinctive name that separates its identity from the parent. Individual product rebranding seems to be rare and usually happens due to desire to brand globally or get economies of scale in advertising and packaging. (Muzellec et al. 2003). Rebranding can occur at one of the brand hierarchy levels, at several levels or at every level (Muzellec & Lambkin 2006).

Most of the rebranding cases seem to occur at the corporate level and they are the most strategically important ones (Muzellec et al. 2003). As noticed previously in the chapter 2.2.3 describing the differences between corporate and product branding, corporate branding requires organization-wide support and integrated efforts of all organizational departments (Hatch & Schultz 2001). In contrast, product branding usually involves only the middle management and the marketing department. Other differences can be found in the number of important stakeholders, in the way the branding is communicated and in the strategic importance of corporate branding (Hatch & Schultz 2001). Thus, also the rebranding a corporation should be different in comparison to rebranding a product.

When rebranding products, customers usually have pre-existing attitudes towards product brands and these attitudes are likely to affect post-exposure attitudes as well (Gotsi & Andriopoulos 2007). These existing product brand associations might hold back the desired repositioning, or customers might even feel alienated by the rebranding. That is why when rebranding products managers should be sensitive to customer attitudes (Loken & Roadder John 1993). In contrast, corporate brands can be seen through two perceptions: the employee perception referred to as identity and the customer perceptions referred to as image (Davies & Chun 2002). So in addition to customers, corporate brand managers need to take also other stakeholders into consideration. They all have different corporate brand associations, and thus much wider spectrum of attitudes and pre-existing associations need to paid attention to (Jaju, Joiner & Reddy 2006). Consequently, corporate rebranding aims at modifying the image and/or reflecting a change in the identity (Muzellec et al. 2003)

Product rebranding involves often just an acceptance process from the employees´ side, meaning that they merely have to accept the new name but not necessarily to endorse the brand values (Muzellec & Lambkin 2006). In other words, they are not involved in the product rebranding process and their opinions are not asked. Still they have to produce, develop and sell the product. Employees´ lack of motivation for the new brand proposition is a result of unshared corporate values. Consequently, especially corporate rebranding strategies must be aimed at convincing employees, i.e. internal stakeholders, to behave accordingly to the new brand promise. The employees have a crucial role in determining customer´s feelings towards the brand, and thus they are the key stakeholders in the name change (Stuart & Muzellec 2004). They are after all responsible for the communicated identity of the new brand. Usually high degree of internalization of brand values results in a high degree of acceptance for a new name. In other words, for the rebranding to be successful, both the employees and customers should accept and understand the need for a change (Muzellec & Lambkin 2006). However, in some cases employees might see rebranding decisions as an external constraint (Griffin 2002) and they have sometimes strong attachments to the old name (Stuart & Muzellec 2004).

Since a large group of stakeholders is bound to interact - not just with the company presentatives - but also together, corporate rebranding cannot solely rely on marketing communications (Gotsi & Andriopoulos 2007). In order to succeed, it would be wise for the company to try to avoid seeing the rebranding primarily just as a marketing communication exercise, and misevaluate the success of rebranding just by judging the effectiveness of the external communication campaign (Stuart & Muzellec 2004). Instead, in order to transfer or recreate enormous brand equity, company should use a combination of pull and push promotion strategies (Kaikati

2003). On the other hand, the name change enables the company to use intensively the total communication mix in order to make the new brand name more distinctive (Schultz & Hatch 2001). There are also some other inconsistencies between corporate branding and corporate rebranding. While corporate brand development is usually a medium-term or a long-term process (Balmer & Gray 2003), corporate rebranding can even be performed overnight (Kaikati 2003). On the other hand, the whole rebranding process takes more time and the new brand usually retains some of the brand associations of the old brand (Muzellec & Lambkin 2006).

Usually the companies that rebrand themselves are operating in the business-to-business markets (Muzellec & Lambkin 2006). A reason for this might be explained by the long and complicated product lines of the consumer product companies in the unrelated markets. In other words, these companies are usually “house of brands” types and for the brand values of individual products it could be harmful to rebrand them under a common corporate name (Muzellec & Lambkin 2006). Rebranding occurs especially in the information technology and telecommunications industries due to the pace of technological change and the wave of consolidation taken place during the recent years (Muzellec et al. 2003).

4.5 The rebranding process

After the company has a clear idea why rebranding is necessary and what the company expects the results would be the planning and finally the execution of the rebranding strategy can be started. According to Muzellec et al. (2003), the rebranding process consists of four stages: repositioning, renaming, redesigning and relaunching. Repositioning is the phase where objectives are set in order to create a radically new position for the company in the minds of stakeholders (Muzellec et al. 2003). Daly and Moloney (2004) call the outcome of the planning stage to “the rebranding marketing plan” which follows well laid out principles of marketing planning, from situation analysis, through planning and implementation, to resources and budgets. In renaming the external perceptions of the corporate brand, in other words the image, are addressed through a change of name (Lomax & Mador 2006). Renaming was already shortly discussed above in chapter 4.3. The next rebranding stage, redesigning, is often carried out along with the name change. The slogan reflects the positioning strategy of the corporate brand and changing it can be done more frequently with less risk than a name or logo change. Sometimes it is a great help in introducing a new name.

The key success factor in rebranding is to incorporate the internal stakeholders to the process. Meaningful consultation with stakeholders and thoughtful integration of people into the process of developing knowledge are requirements for success (Lomax & Mador 2006). As mentioned above, already in the planning stage the employees can be taken to the process of creating a new name. This motivates and gains support and commitment of employees, as well as train employees in the new company policies and procedures (Daly & Moloney 2004). The same marketing research techniques used for external research can also be used to learn about management´s and employees´ perceptions and attitudes towards the existing and new brand names (Daly & Moloney 2004).

A company must develop both communications and training programs, such as business-to-employer (BtoE) portals, global web casts, special events and regional programs as channels to spread the new brand message internally throughout all levels of the company (Kaikati 2003). To the external stakeholders, in turn, the company might include customer and journalist promotion packages, advertising, television spots and sponsoring to its promotion strategy (Griffin 2002). After the whole rebranding process it is very difficult to measure the success or the failure (Muzellec et al., 2003). Many opportunities to refine the rebranding campaign will be missed if evaluation is not carried out throughout the planning process (Daly & Moloney 2004). Each rebranding process should be evaluated with the regards to its initial goals (Stuart & Muzellec 2004) and possible changes made if they become evident (Daly & Moloney 2004). Consequently, research before and after the change is vital, and continuity and consistency should always be in mind when exercising rebranding.

5 TRANSFERRING BRAND EQUITY HIERARCHICALLY THROUGH REBRANDING

The following Figure 6. illustrates the theoretical framework of this research. The framework combines all of the three previous theoretical chapters in order to find answers to the main research question. It is presented as a left-to-right model where the brand equity assets of product and corporate brands are first presented. As noted before, both product and corporate brand equity assets are created and formed differently, and thus they cannot be understandably presented in the framework. The arrows between the different objects present direction and the lines connection. As discussed above, the rebranding literature concentrates mainly on renaming and redesigning and thus, also this model represents only these actions. Although the

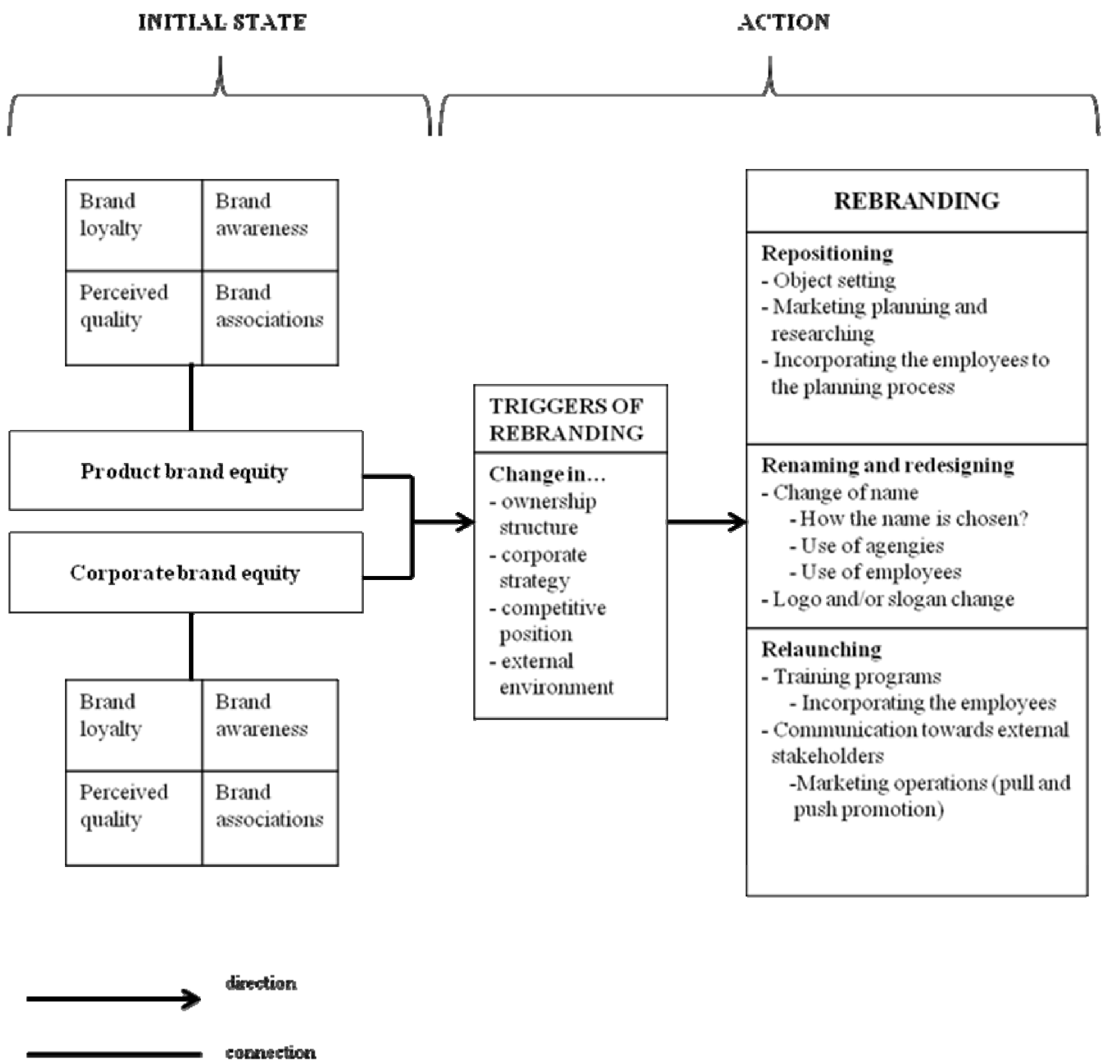

Figure 6. Transferring brand equity hierarchically through rebranding

model does not specify how the renaming is done, one example would be to add the corporate name to the product name.

The trigger for the rebranding could be a change either in ownership structure, corporate strategy, competitive position or external environment. The rebranding starts by setting the objects for the process and conducting different kind of research in order to find out the present situation of the brands. This repositioning also demands motivating the employees since without their effort the process cannot be successful. Even before that, the management needs to give their full support for the rebranding strategy. The actual rebranding starts with the planning of the new name. It can be chosen by using a special agency and/or even incorporating the employees to find a new name. If the logo is changed at the same time, the same procedures apply to that process as well. After the new name and/or logo is chosen, an organization-wide training is required in order to let the employees know about the changes and how they should communicate the brand message in the future. After that the rebranding is marketed and communicated in advance to the closest external stakeholders and later to the customers.

If the rebranding is successful, it should affect the product and corporate brand equities by transferring brand equity assets between these two brand hierarchy levels. The result would be stronger corporate brand equity due to the favorable product brand equity assets. Since brand associations usually have an effect on brand image and brand equity (Faircloth, Capella & Alford 2001), the product brand associations have a good chance in creating a positive corporate image.

Let us think that the corporate brand is added to the known product name. In practice this would mean that the corporate brand is associated with the strong and positive associations of the product brand. For example, if the product is considered as innovative and of high-quality, these associations could be transferred to the corporate brand and possibly to the other product brands of the company. Moreover, since the product brand is familiar to the stakeholders, adding the corporate name to the product name should make the corporate name more known in the minds of stakeholders. In addition, some loyal customers of the product brand might even start to use the other products of the company. Vice versa, the corporate brand equity assets are likely to affect the product brand equity.

6 METHODOLOGY OF THE STUDY

Different kind of research problems are solved by using different kind of research strategies, approaches and research methods. These research methodologies are not exclusionary; instead they can be used complementary (Easton 1995, 455). This chapter describes the different methodological choices made in this study.

6.1 Research design

Figure 7. summarizes the methodological issues of this study. The choice of the research approach for this study is difficult due to a couple of things. On one hand, since the study is interpretative and its objective is not to find common

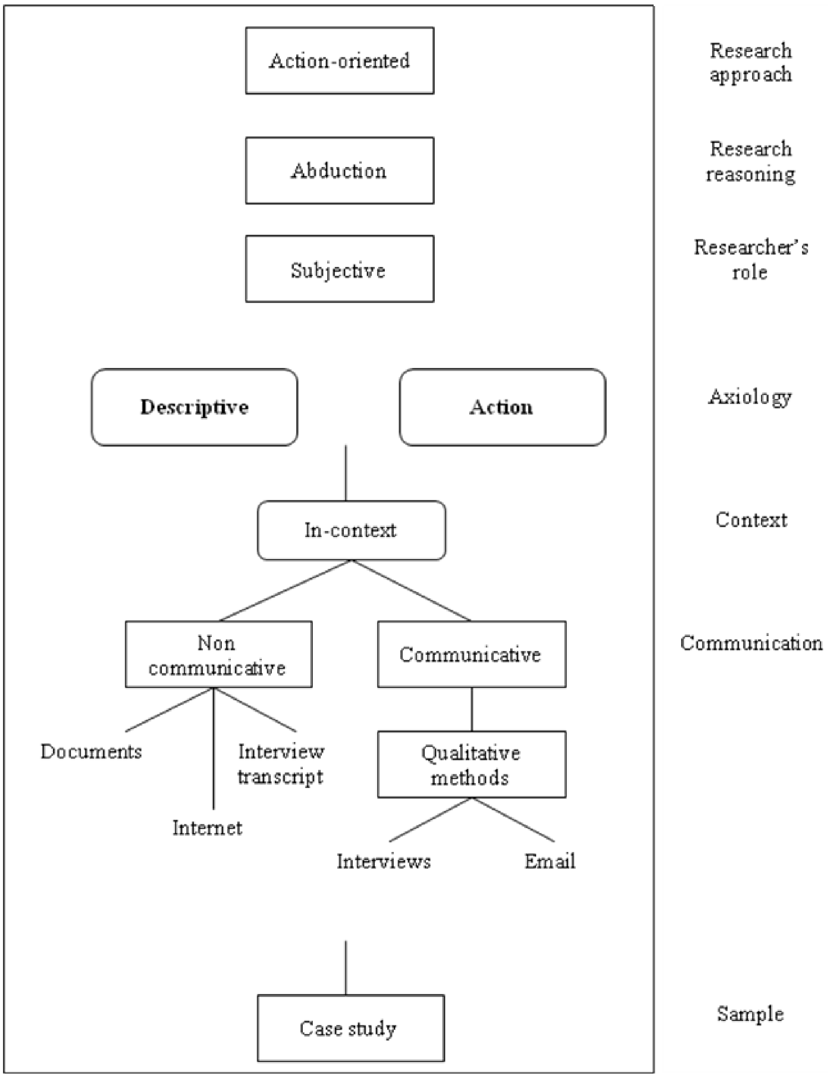

Figure 7. Methodological choices of this research (adapted from Easton 1995, 453).

generalizations (Neilimo & Näsi 1980), an action-oriented research approach could be appropriate. On the other hand, this study also seeks to give action proposals for the case company that is facing a problem. Thus, decision-making methodological research approach could also be used. Empirical research has a significant role in action-oriented research, and only a few research objects are usually as sources of empirical data. This is also the case in this study since the empirical part of this study will be conducted only in one company.

While action-oriented research approach aims at creating concepts that can be used for understanding the phenomenon in practice, decision-making methodological research approach aims at helping the decision-making by finding a way to solve a particular problem. This study tries to both understand a phenomenon that has not been researched before and to give instructions in order to help the decision-making. However, in action-oriented research the results are usually new hypothesis, theories, concept systems, explanations of change or development processes, or even normative guidelines (Olkkonen 1994, 73). Thus understanding the phenomenon and creating new concept as well as giving action proposals can be done by following action-oriented research approach. Considering all the above, the action-oriented research approach is the most applicable for this research. (Neilimo & Näsi 1980.)

A particular research frame or reasoning prescribes the relationship between data, methods, theories and values of the researcher (Ghauri & Grønhaug 2005, 14). While induction is based on empirical evidence, deduction is based on logic. The processes of induction and deduction are not totally exclusive of each other and both of them include elements from the other. Most researchers and scientists believe that they use both of these orientations in their research, and that it is quite unlike that they can even be separated from each other (Perry 1998). Thus, also this research combines both inductive and deductive inference, and uses abductive research design. The classical abduction was based on the idea, that after having observed an unpredicted phenomenon, the observer starts to look for a tentative, abductive explanation (Arraghi & Ferrario 2008). Based on this explanation, through a deduction process a new prediction is formed and then inductive tests are performed to verify the prediction (Arraghi & Ferrario 2008). In practice, an example of the use of both deduction and induction could be when the researcher conducts an unstructured interview which ignores the literature review. This inductive process is, however, later followed by deduction when the analysis combines both prior theory and empirical data (Perry 1998).

The researcher´s role in this study affected the results of the research because the distance between the researcher and the research object was pursued to minimize and form an intense relationship between them (Stake 1995, 37). According to this subjective approach knowledge is personal and dependent of an individual since the world was created in consequence to the actions executed by individuals. Thus, the research is affected by the relationship between the researcher and the object of the research. The goal of subjective approach is to understand and interpret the phenomenon instead of explaining it. Since this study seeks to understand brand equity and rebranding, subjective research approach is appropriate. (Neilimo & Näsi 1980.)

6.2 Descriptive and action research

As noted above, the goal of this study is to understand and illuminate the phenomenon. This rationalizes not only the use of action-oriented and subjective research approaches but also the utilization of descriptive or exploratory research methodologies. Since this phenomenon of this study is lacking previous research and thus it is necessary to exploit it preliminary, these approaches are appropriate (Grönfors 1985, 62). In addition, the goal of this study is to describe the phenomenon theoretically through the empirical data (Grönfors 1985, 62). Therefore, the empirical part is not used for testing the theory; instead it is used for clarifying contradictory theory and developing new theory with the help of empirical data.

One of the sub-approaches of action-oriented research is action research (Mäkinen 1980 via Neilimo & Näsi 1980). Action research combines generation of theory and changing the social system. The change is initiated and/or conducted by the researcher acting on or in the social system (Susman & Evered 1978). The act itself both changes the system and generates critical knowledge about it. In other words, action research gives maximal practical utility as well as theoretical significance (Chein, Cook & Harding 1948). The action research part in this study focuses on the rebranding since the case company wants to alter the brand equity of its brands through rebranding. In practice they want to make both their corporate and product brands more appealing to the stakeholders. However, before giving any action proposals the current state of the brand equities needs to be clarified through an empirical study.

In action research the theory provides guidance for the diagnosis of an organization as well as for generating possible courses of action to deal with the problems. Furthermore, action research also contributes to the development of theory by taking actions guided by theory and evaluating their consequences for the aroused problems. In this study the rebranding theory was less useful since it only concentrated on renaming a company which was not the case in this study. Action research drives at analytic generalization (Yin 1989, 43-4) since the meaning is to build a theory that extends beyond the particular situation (Perry & Gummesson 2004).

This research is not an action research in its purest form since before or during this research any action has not been taken in the case company to conduct the given action proposals. Instead, the action proposals of this study are meant to execute in the future. Thus, the research could be defined as technical action research or evaluation research where the only consultative advises is given to the case company (Carr & Kemmis 1986, 202) and the action is out of the control of the researcher (Easton 1995,455).

6.3 Qualitative research

This study uses qualitative research methods to gather in-context communicative data. The main purpose of qualitative research is to understand and gain insights of the phenomenon (Ghauri & Grønhaug 2005, 202), and constructing explanations or a theory. Thus, it fits perfectly for this study as already mentioned above. The aim of qualitative research is not to find the truth about the phenomenon; instead the target is to uncover the experienced reality described by people. Qualitative research shows how people are behaving and thinking, and what they have experienced, and forms interpretations in regard to these actions. Resulting models, instructions, action proposals and descriptions can be created through interpretations, problem-solving or clarification of different meaning relationships. These meanings show usually up as desires, believes, interpretations, values and ideals of people. (Vinkka 2005, 50, 97-8.) Consequently, quantitative research tends to be exploratory and flexible because of “unstructured” problems (Ghauri & Grønhaug 2005, 202).

Qualitative research is particularly relevant if there is scarcely information about the phenomenon (Ghauri & Grønhaug 2005, 202) which is the case in this study. It is typical for the qualitative research data to be rich, complex, multidimensional (Alasuutari 1994, 75) and it is in many ways closer to the phenomenon studied (Ghauri & Grønhaug 2005, 202). One reason for choosing qualitative research methods in this study is that the researcher is the most important research instrument in qualitative research (Grönfors 1982, 13). The researcher has a major role and contribution in the data gathering, just like according to subjective approach which this study follows.

It is also justified to choose a qualitative research method when the researcher is interested in the detailed structures of the events or phenomena, the meanings of individuals that were part of a certain situation, or when the researcher wants to study natural situations that cannot be organized in a test environment or when all the influencing forces cannot be controlled (Metsämuuronen 2006, 208). Since this study tries among other things to uncover and understand the formation of brand equity in different brand hierarchy levels, it is necessary to gather detailed and novel data in a real-life situation through qualitative methods. In this study interviews and emails are used as qualitative data collection methods in order to get profound data. These and other data collection methods will be discussed later in chapter 6.4 *Empirical research design*.

6.4 Case study

As it already came out, this study is a case study because it gives an opportunity to study a contemporary phenomenon inside its natural setting (Yin 1989, 23). Case study research is an investigation of a contemporary, dynamic phenomenon within the phenomenon´s real-life context where the boundaries between the phenomenon and its context are unclear (Perry 1998). Because the phenomenon under study here is lacking research, it is difficult to understand it without conducting a case study. Case study research takes a systematic and holistic stance recognizing reality as it is (Perry & Gummesson 2004). It does not settle for descriptions but instead adds value through conceptualization. It does not exclude complexity, chaos, fuzziness, ambiguity, uncertainty and dynamic forces for the convenience of the researcher and the analysis (Perry & Gummesson 2004).

The advantages of case study are its ability to study complicated and dynamic phenomena. Thus, by conducting a case study rich, versatile and intertwined knowledge can be produced by analyzing structure and actor relationships (Eriksson & Koistinen 2005, 5), such as the relationships between different brands in this study. In addition, theory developed from case study research has important strengths, such as novelty, testability, and empirical validity which arise from the intimate linkage with empirical evidence (Eisenhardt 1989). Case studies can take the researcher to places where there usually is not access, it allows to look at the phenomenon through the researcher´s eyes, as well as is less likely to produce defensiveness and resistance to learning (Donmoyer 2000, 61-5). Case study method is particularly well-suited to new research areas or research areas for which existing theory seems inadequate (Eisenhardt 1989). Thus, it is ideal for the research of the phenomenon of this study which is not only lacking previous literature but also the little existing literature there is tends to be very contradictory. A single case was chosen because the case represents a unique case and thus the specific circumstances of this case could not be reached in other companies (Yin, 1989, 47).

6.5 Empirical research design

The relationship with the case company was close already from the beginning of the study. Since this study is a part of a project concentrating on corporate branding, the topic naturally related to that. However, the case company gave a couple of possible research problems were they needed answers, and from which the final topic was chosen. Before and during the research process they specified their needs concerning the focus of the topic. The case company representatives did not have any other influence on the study. All in all, the relationship between the researcher and the case company was informal and straightforward. There was no problem to get answers to the unclear questions or to get further information or clarifications from the case company.

This study used theme interviews as the main qualitative data collection method. Theme interviews were chosen because the interviewee can answer to the questions in own words and differ from the question order (Koskinen et al., 2005, 104). In addition, the interviewer has the chance to repeat the question, correct misunderstandings and clarify the phrasings (Tuomi & Sarajärvi 2002, 75). It is also an appropriate way to collect data in this study since brand equity and rebranding are less charted phenomena that are not easy to explain (Hirsjärvi & Hurme 2009, 35).

Six interviews were conducted by the researcher (Table 5.). The Marketing Manager was interviewed twice and the other representatives of the case company, Sales Manager (responsible for Northern Europe) and Partner Manager once. Additionally, two representatives of the case company´s resellers were also interviewed in order to get their and their customer´s (the end-users of the case company´s products) point of views. The end-users´ opinions could be included to the data since the resellers had got feedback from the end-users and thus they were able to answer on their behalf on most of the questions.

In addition, it was felt important to interview the resellers because the current state of the brand equity of the case company´s brands cannot be known just be interviewing the case company. Their opinions of what the resellers think about their brands might in reality totally different. Thus, the resellers needed to be included to the study. The contact person from the case company (Marketing Manager) chose the interviewees for the study since she had the best knowledge of who can give the most versatile answers. The interviews with the case company representatives were personal, whereas the interviews with the resellers were conducted by phone.

Table 5. Empirical data collected.

Company	**Informant**	**Time**	**Duration (min.)**	**Type**	**Researcher**
Capricode Oy	Myllykoski, J., Marketing Manager	2.10.2008	45	Interview	Alahuhta, J.
Capricode Oy	Ranta, J-M., Sales Manager, Northern Europe	24.2.2009	45	Interview	Alahuhta, J.
Capricode Oy	Okkonen, H., Partner Manager	24.2.2009	55	Interview	Alahuhta, J.
Capricode Oy	Myllykoski, J.	24.2.2009	50	Interview	Alahuhta, J.
Capricode Oy	Myllykoski, J.	25.3.2009	-	An email consisting of further information	Alahuhta, J.
Reseller 1.	-	Summer 2008	-	Interview transcript	Myllykoski, J.
Reseller 2.	-	3.3.2009	32	Telephone interview	Alahuhta, J.
Reseller 3.	-	3.3.2009	25	Telephone interview	Alahuhta, J.
Capricode Oy	-	4.4.2009	-	Web pages	Alahuhta, J.
Capricode Oy	-	2.10.2009	-	Brochure of SyncShield	Alahuhta, J.

Secondary data

Additionally, an email consisting of important further information send by the Marketing Manager was used as a primary data. In addition, also secondary data was used in order to support and augment evidence from the primary data (Yin 1989, 86) and broaden the base from which scientific conclusions can be drawn (Ghauri & Grønhaug 2005, 95). Secondary data used in this study was the web pages of the case company, their brochure of the product brand and an interview transcript got from the case company which is based on an interview between the case company and its reseller. In a summary, triangulation was reached since data from multiple sources was synthesized (Hirsjärvi & Hurme 2009, 39).

Before the interviews interview frameworks were written in order to make sure that all the important questions were asked and the interview ran smoothly (Koskinen et al., 2005, 108) (Appendices 1. and 2.). To specific questions were tried avoid and instead formulate theme area list. These main themes were extracted from the theory in order to answer to the research problem (Vinkka 2005, 100-1). Before the accurate questions about the themes, opening questions were asked in order relax the situation and motivate the interviewee to take part in the conversation (Hirsjärvi & Hurme 2009, 107). All of the interviews focused mainly on the initial state of the theoretical framework. Thus, questions about product and corporate brands and the brand equity assets of both brands were asked. Through the questions related to product and corporate brands the brand hierarchy of the case company could be later drawn.

Moreover, the product brand equity questions consisted of questions about brand loyalty, brand awareness, perceived quality of the product and brand associations as well as market behavior measures, such as market share and price, since the latter ones help to get more information about the brand equity of the product brand (Aaker 1996b). However, these questions about market behavior were not added to the questions about corporate brand equity since the case company has several product brands and in this study the market share, market price and distribution coverage of the whole company were not important. Only a couple of questions related to the action phase of the theoretical framework, the rebranding. These questions were formed so that the interviewees were given the chance to give their own development suggestions for the product and corporate brands. Additional questions were presented in order to deepen the important things said by the interviewee (Hirsjärvi & Hurme 2009, 110). In addition, the possibly ambiguous concepts were divided into smaller pieces and asked in a common way in order to avoid any misunderstandings.

All of the interviews were taped to make it easier to analyze the data. After each interview the tape was transcripted from word to word. Transcription was a labored and time-consuming process but it increases the dialogue between the researcher and the data, and helps to analyze and categorize the data (Vilkka 2005, 115). After the transcription the data was inputted to QSR NVivo which is a computer-assisted qualitative data analysis software. It enables to organize and control a large amount of data, make easily own interpretations and categorizations by coding, and help to perceive the structures and relationships of the data (Luomanen & Räsänen 2000, 14). First, nodes where created based on the themes of the interviews. Second, the transcripted data was gone through by coding the text with the nodes. Third, the node texts were printed and used for writing the analysis. The nodes that were used to analyze the data are presented in Appendix 3.

The analysis of the data started already during the transcription process. This made it easier to keep up the motivation of the researcher (Hirsjärvi & Hurme 2009, 135). In addition, additional questions could be asked from the case company when noticed that the data needed to be deepened in some parts. An email was got from the case company to fulfill that gap. The meaning of the analysis is to create a verbal and clear description about the phenomenon (Tuomi & Sarajärvi 2002, 110). Content analysis was used for organizing the data into a compact form without losing the rich information. In this study the analysis departs from theory-bonded, abductive approach where some guiding assumptions and hunches from the theory were taken into account and used for categorizing the data and bringing new ways of thinking.

Chosen individual categories were classified and analyzed more thoroughly. After this the data was perceived more as a whole, and a coherent ensemble was formed. As described above in the section concerning abductive reasoning, in the thinking process of the researcher the existing ideas, former findings and observations, new observations, and new ideas consistently interact (Coffey & Atkinson 1996, 156). Thus, the researcher could create new theory by using the previous literature and collected empirical data (Perry 1998).

7 EMPIRICAL PART

This chapter consists of three main parts. First, the company where the case study was conducted is presented. Second, the phenomenon of this study is presented through the collected empirical data. This analysis includes the main themes that became already familiarized in the theoretical part. These themes are the brand hierarchy and especially product and corporate brands. After that the brand equities of both product and corporate brands are presented. The action phase of the theoretical framework is also taken account in the empirical part by first discussing about the triggers of rebranding and after that the different ways of rebranding. Reliability of the analysis is increased by adding quotes in between. Since the interviews were conducted in Finnish, the original quotes are in the footnotes. Finally, the new empirically modified framework is presented.

7.1 Case company

The case company of this study is Capricode Oy. It was founded in 2002 through a spinoff of NetHawk Oyj and several mergers. Its headquarters are located in Oulu but the company has markets in Finland as well as abroad, especially in the Nordic countries. Capricode has about 30 employees. The company operates in three business areas which are computer telephony integration (CTI) solutions, material tracking system for electronics assembly called TracePower, and mobile device management tool SyncShield.

SyncShield integrates all the mobile devices of a firm from one server. It enables for example push-mail and virus protection applications firm-widely without the individual users knowing about the installing or the upgrading of an application. The end users are either other businesses or government institutions. SyncShield is the flagship of Capricode and although it still produces quite a small part of the revenues, the majority of investments are used to develop and sell it. For example, Capricode estimates that SyncShield has the most personnel, marketing and financial resources of all the business units. Consequently, the other business units finance the development of SyncShield.

The market of mobile device management has just been opened up during the past year. It was already expected to happen at the beginning of the 21st century but the demand for mobile device management tools has just now evolved and increased. Thus, the market is still quite undivided and no company has a large portion of the customer base. The markets are very different from a country to another, Finland being one of the biggest and the most progressive markets in the whole world. The demand for mobile device management tools is connected to the amount of mobile devices in companies and the amount of complementary products such as push-mail and virus protection for mobiles. The interest towards the industry and Capricode has been increasing publicity in the media (see e.g. Kauppalehti 14.11.2008; Kauppalehti 10.2.2009).

SyncShield is sold only through retailers who usually sell the product as a part of a bigger product package. It can be purchased as a service through an application service provider (ASP), as a service through a managed service provider (MSP) or as an in-house server. ASP means that the SyncShield server is hosted by the reseller and the customer can administrate the device management operations through a secured Web user interface. In MSP model the SyncShield server is hosted and operations administrated by the reseller. In-house server, in turn, means that the server is brought to the premises of the end-user company in order to maintain full control of mobile device management. Capricode also sometimes contacts potential end-users directly or end-users can contact them directly for example through their web pages. In case the purchase decision is made, Capricode directs the end-users to contact their resellers.

Capricode has a corporate branding problem because they want the name of the company to be more visible. The name of the company is not part of the SyncShield logo. Through this study Capricode wants to know how the end users could better associate SyncShield with Capricode. The product brand of this study is the product brand of SyncShield, where as the corporate brand refers to Capricode.

7.2 Brand hierarchy

A brand refers to the value, image or associations that arouse from hearing a brand's name. These associations can be both positive and negative and they can be attached to both products and companies. A brand is something that develops in the stakeholders' minds in an emotional level. Thus, the brand concept is highly affected by the feelings that the stakeholders have about different brands. These descriptions were made by the employees of the case company who all have economical education. Thus, for example the name, logo or other visual factors that non-professionals often refer to a brand, were not mentioned.

The brand hierarchy was not something that had been carefully planned. It had been created through a process where the company was formed after several mergers and putting together several business units. Thus, the brand hierarchy of Capricode turned out to be product-dominant brand hierarchy. It can be assumed that the different business units inside the company had and still have a great influence on the brand hierarchy. These three different products have names that are totally distinct; they do not share any similar words. For example, the company name is not part of any of the product names. Although this surely has been intentional, today they have acknowledged that it also causes some problems.

> "And then when thinking about the business units of Capricode…even the names are different, so there is no logic." (Partner Manager)[1]

The company has realized that the house of brands brand hierarchy enables marketing and branding its products individually but causes problems for the corporate brand. Since the corporate brand name is not part of the product brand names, it is not as well-known as the product brands. Consequently, the company has started to think how it could increase especially the awareness of the corporate brand. It seems that the previously (more or less) chosen brand hierarchy model is not as working as thought.

[1] "Ja sitten sekin, että Capricodella on nuo bisnesyksiköt niin…siis ne nimetkin on jo niin erilaiset, ei minkäänlaista logiikkaa."

Important question when talking about brands and brand hierarchies is that do the stakeholders even make a difference between the product and corporate brands. The empirical data showed that for the employees there is a distinction between the product brand, SyncShield and the corporate brand, Capricode.

> "Of course they [product and corporate brands] differ. Maybe the corporate brand is more connected to the people. And of course the product brand originates from the product experience." (Marketing Manager)[2]

> "At least from our perspective they [product and corporate brands] differ so that when our customers hear the word SyncShield, it should arouse easy to use, easy to introduce and somehow effortless associations. Then what I want and hope and what I have been trying to communicate to the partners and customers is that we are a reliable partner and easy to approach and we react as fast as possible to the customers' needs. --- As a corporate brand we want to be flexible but the product brand is the one and the same. And necessarily not that flexible." (Sales Manager)[3]

Capricode has obviously been successful in its marketing efforts since also its resellers made a distinction between the product and corporate brands. SyncShield was the product they sold and Capricode was their partner. However, for the resellers the product brand seemed to be the more important brand. The product brand was the only visible brand for the customers of the reseller, and because the demand of the customers make the business successful, it has been important to concentrate on the product brand. In addition to SyncShield, Capricode has also other products that might not interest the end-users of SyncShield. Thus, when selling SyncShield the resellers emphasize its name and not the name of the manufacturer.

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[2] "Kyllähän ne [tuote- ja yritysbändi] tietenkin eroaa. Ehkä yritysbrändi on enemmän sidoksissa henkilöihin. Ja tietenkin tuotebrändi syntyy siitä tuotekokemuksesta."

[3] "Ainakin meidän näkökulmasta ne [tuote- ja yritysbrändi] eroaa siten, että meidän tuotebrändi tai kun asiakas kuulee sanan SyncShield niin siitä pitäisi tulla mieleen semmoinen, että se on helppokäyttöinen ja helppo ottaa käyttöön ja jotenkin vaivaton. Sitten taas mitä minä itse haluan ja toivon ja mitä minä olen koittanut kumppaneille ja asiakkaille viestiä, että me ollaan luotettava kumppani ja semmoinen, jota on helppo lähestyä ja joka reagoi asiakkaiden tarpeisiin mahdollisimman nopeasti. Että siinä mielessä erilaiset brändit. Yritysbrändinä halutaan olla joustava, mutta se tuotebrändi on se yks ja sama. Eikä niinkään joustava välttämättä."

> "Yes it is SyncShield that is for us the more important brand. Because it personalizes immediately what kind of and what the service and product are because Capricode has other products that totally differ from SycnShield." (Reseller 2.)[4]

Consequently, the resellers were satisfied with the current brand hierarchy of Capricode. However, for the end-users the name of the technology does not matter. Whether the name would be something different, for example added with the corporate name, they would not care. For them the technical features of the product are the only important parts of the product brand. The corporate brand is irrelevant. On the other hand, if the corporate brand would get for example negative publicity, then it might start to influence on the end-users choice of technology.

7.2.1 Product brand

SyncShield was developed for years without it being marketed and sold. The product brand has been formed during the development process. This has happened especially during the past two years when the market has opened, and thus it could be marketed and sold. The marketing materials and other communication tools have been used in order to communicate what the product is about and what it can do. The main messages that the marketing and sales departments have been trying to emphasize are, that SyncShield is easy to use, it is Finnish, it solves daily problems, and compared to the competitors it is simple and light. These usability and quality characteristics basically form the product brand of SyncShield. Additionally, the selling team stresses that it is only for business customers but for businesses of every size. Also employee-related approach to the formation of the product brand was mentioned.

[4] "Kyllä se SyncShield on meidän kannalta, se on se tärkeämpi brändi. Sen takia, että se henkilöi heti, minkälainen ja mikä se palvelu ja tuote on, koska Capricodella on muita tuotteita, jotka poikkeaa tyystin tästä SyncShieldistä."

> "[The product brand is formed] of course from the product but above all from the people. From the people that take care of the things and how they communicate the things." (Sales Manager)[5]

All in all however, it was often mentioned that the brand building process has been quite unconscious. The marketing and sales departments have had the main effort in the brand building and the other employees have been less involved in the process.

> "I do not think that there has been any consistent brand building, it has developed pretty much the way it is on its own." (Partner Manager)[6]

> "But maybe it [brand building] really concentrates on the marketing and selling departments. The similar wrong way as in every firm that the other people are forgotten. They are not consistently aware of this [brand building] message the way they maybe should be." (Marketing Manager)[7]

According to the resellers, SyncShield has a major and important role in their product packages. The main reason for this is that it used to manage all the other components in the packages. It also makes it easier to sell other products since the other products can be easily delivered and installed to the mobile devices through SyncShield.

7.2.2 Corporate brand

As was expected, the corporate brand was quite a new concept among the interviewees. It was something they had barely thought about, not to mention that they would have consciously developed it. It seemed that unconsciously the product brand was inseparably part of the corporate brand. Especially the corporate brand was according to the feedback got from the end-users to consist of the usability of the

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[5] "[Tuotebrändi muodostuu] tietenkin siitä tuotteesta, mutta myös ennen kaikkea niistä ihmisistä. Niistä ihmisistä, jotka hoitaa asiat ja miten he viestii asiat."

[6] "Ei minun mielestäni olla johdonmukaisesti tehty mitään brändityöskentelyä sen eteen, että se on kehittynyt aikalailla itsekseen sellaiseksi kun se on."

[7] "Mutta ehkä se [brändin rakentaminen] tosiaan keskittyy enemmän markkinointi- ja myyntipuoleen. Ehkä niin kuin kaikissa firmoissa tehdään väärin, että sitten unohdetaan ne muut henkilöt enemmänkin. He eivät ole jatkuvasti ehkä niin tietoisia tästä [brändin rakentamis-] viestistä. Niin kuin heidän ehkä pitäisi olla."

product. Thus, the corporate image of the manufacturer was based on the product experience and how satisfying that was. Consequently, the product brand had a huge impact on the corporate brand and how it could be developed.

In addition to the product brand characteristics, the corporate brand consists of the people of the company; of its employees and the management. In fact, the employees were seen as very important part of the corporate brand. Capricode usually has close personal relationships with its resellers and the way these relationships evolve has an effect on the corporate brand. With the partners and end-users they have tried to behave so that they would seem as reliable and good partner. This is a more unconscious than a commonly planned way to behave.

> “We have not consciously done a lot [in order to build the corporate brand]. Actually only that we have tried to emphasize that we are Finnish. That the product is Finnish. … But then the other things maybe come unconsciously. So I try to act so that I am reliable, I keep my word, I handle the things the way I have promised and when I have promised.” (Sales Manager)[8]

The employees and their behavior towards the stakeholders are easy ways to improve the corporate brand since a slight change can have a great positive effect. However, it requires that the need for the change is acknowledged and why it is necessary.

> “I think the [corporate] brand is consisted of the people of the company. That is the basis in my opinion. Only after that other things can be used to build a brand.” (Sales Manager)[9]

The interviewees see that the management of the company has a crucial role in that process and in branding all in all. In fact, the CEO of Capricode was mentioned by the interviewees as a corporate brand builder.

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[8] ”Ei varmaan tietoisesti olla tehtyhirveästi mitään [yritysbrändin rakentamisen eteen]. Oikeastaan ainoastaan se mitä ollaan painotettu on kotimaisuus. Että on kotimainen tuote. … Mutta sitten ehkä muut asiat tulee sillä lailla tiedostamatta. Eli itse koittaa olla semmoinen, että on luotettava, pitää sanansa, hoitaa kaikki asiat juuri sillä tavalla kuin on luvattu ja siinä sovitussa ajassa.”

[9] ”Minun mielestä se [yritys-]brändi muodostuu siitä, että minkälaisia ne ihmiset on siellä yrityksessä ja se on niin kuin se peruslähtökohta minun mielestäni. Muiden asioiden kautta sitä brändiä voidaan rakentaa vasta sen jälkeen.”

More conscious branding work has been done by communicating to the existing and potential stakeholders that Capricode has a clear focus on business-to-business markets, their market is Northern Europe and that they sell only through resellers. They also want to emphasize that they are a Finnish company. Capricode´s corporate brand has also been influenced by the way the employees behave between each other. The organization culture of the company is very informal and relaxed at least among the personnel.

> “We have a pretty interesting group in here. We are really good friends with each other and our operations are really informal in every way.” (Partner Manager)[10]

They are good friends with each other, and thus it is easy to work with each other. Also the resellers have noticed that Capricode has an amazing team spirit and they let their personalities show also to the stakeholders. However, the official factors of the organizational culture, such as values of the company, were neither known nor put into action.

7.3 Brand equity

Naturally the interviewees were not expected to know about the concept of brand equity. Thus, they were asked questions that related to the elements of brand equity described above. It seemed as if the interviewees did know how to connect loyalty, awareness, quality and associations to the added value the brands create.

7.3.1 Product brand equity

Product brand loyalty

Since the market of mobile device management tools has just opened up, SyncShield has been sold to the market intensively only for a short period of time. Thus, it does not have a large group of loyal customers. However, the company has focused on

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[10] ”Eli siis meillä on aika mielenkiintoinen tämä poppoo mikä meillä on täällä. Eli siis mehän ollaan hirveän hyviä kavereita kaikki keskenään ja hirveän epäformaalia tämä meidän toiminta on täällä kaikin puolin.”

creating a wide network of resellers. Consequently, the relationship building and getting loyal stakeholders have until now focused on the reseller. Outside Finland they still focus on getting more sales partners.

The case company feels that they have really good relationships with their resellers. The relationships are usually personal, straightforward and informal. In order to get the resellers to sell as much SyncShield as possible, Capricode motivates them for example by training the resellers and teaching them to train the end-users. Thus, during the past years Capricode has put emphasize on improving the partner relationships. They have tried to help the resellers in their problems and get answers to all their problems as quickly as possible. Consequently, many of the resellers have a loyal relationship with Capricode and they share valuable information with each other. However, although the reselling partners are important, Capricode also acknowledges the importance of the end-user.

> "In practice the end-user is always the king. Without the pressure coming from the end-users no reseller would be interested in us. And thus we have also been active towards the end-users so that we can bring prospective customers to our partners. In that way the end-customer is the most important and we solve their problems. So if our partner has a problem it is always an end-customer´s problem that they bring to us. Of course the paying customer, which is the end-customer, is the most important." (Sales Manager)[11]

Although usually the relationships between Capricode and the end-users are indirect, and go through the reseller, sometimes the end-user wants Capricode to have a more visible role. In these cases the end-user is usually a big client that wants to create a stronger relationship with the technology provider. This way they can assure that also the technology provider, in this case Capricode is loyal and committed to continue the relationship in where the customer have greatly invested. Also sometimes

[11] "Käytännössä se loppukäyttäjä on aina se kuningas. Että jos ei olisi loppuasiakkailta painetta, niin kukaan jälleenmyyjä ei olisi meistä kiinnostunut. Ja juuri sen takia me olemme myös itse oltu aktiivisia loppuasiakkaiden suuntaan, jotta me voidaan tuoda valmiita asiakkaita kumppaneille. Siinä mielessä se loppuasiakas on aina se tärkein ja heidän ongelmiaan pyritään ratkomaan. Eli jos kumppaneilla on ongelma, niin se on aina asiakkaan ongelma, jonka se tuo meille. Totta kai se maksava asiakas eli se loppuasiakas on se kaikista tärkein."

Capricode wants to use the customers as references and then it is agreed separately with the resellers that they can contact the specific end-users.

The end-users were loyal to the service provider, in other words to the reseller, since SyncShield is just a part of the product or service package they have bought. Loyalty towards SyncShield is more ambiguous and contradictory.

> “Basically yes [the end-users are loyal to the resellers] because the service agreement is between us and the customer. And of course we inform in the service agreement that the service is executed by using SyncShield technology but in addition to the technology it is crucial that we have platform services etc. --- For that we need service desk, service times, response time, so our service is much more than just the technology.” (Reseller 2.)[12]

> “[Loyalty from the end-users´ side towards SyncShield and Capricode] occurs so that they do not change the solution. Or actually it occurs so that they do not want to change it because if they do not change it, it does not necessarily tell that they are loyal to us because it is a time-consuming work. It [loyalty] can occur because it would cause too much work. So it [loyalty] occurs so that they do not want to change it” (Sales Manager)[13]

On the other hand, the resellers confirmed that the end-users have been satisfied with SyncShield. Thus, it could be assumed that they would not want to change it to some other solution. They have especially been satisfied with the usability of the product because the product does what it promises to do. Capricode has neither lost any end-users nor any resellers.

> “But our business model is kind of such that they [end-users] do not do sole purchases; instead they have a monthly license. So no one has yet

[12] ”No periaatteessa joo [asiakkaat ovat uskollisia jälleenmyyjille], koska se palvelusopimushan on meidän ja sen asiakkaan välillä. Ja me toki ilmoitetaan palvelusopimuksessa, että palvelu toteutetaan SyncShield –teknologialla, mutta se ratkaisevahan on sen teknologian lisäksi, että meillä on alustapalvelut yms. --- Eli siihen tarvitaan jo service deskiä, palveluaikoja, vasteaikaa, joten meidän palvelu on paljon paljon enemmän kuin pelkästään se teknologia.”

[13] ”Se [loppuasiakkaiden lojaalius Capricodea kohtaan] ilmenee siten, etteivät he vaihda sitä ratkaisua. Tai oikeastaan se ilmenee siten, etteivät he halua vaihtaa sitä, koska se ettei he vaihda ei vielä välttämättä kerro, että he ovat lojaaleja meitä kohtaan, koska se on aika isotöinen homma. Se [lojaalisuus] voi johtua siitä, etteivät he vaihda sitä aiheuttaisi niin paljon vaivaa. Elikkä se [lojaalisuus] ilmenee siten, ettei niillä ole haluja vaihtaa.”

> stopped selling that license. I guess they have been so satisfied that there is a threshold to change. Then if we talk about resellers launching the selling of this kind of system and taking it to the product portfolio requires a lot of inputs. So after they have taken it they are pretty loyal. We have never lost a reseller." (Marketing Manager)[14]

Product brand awareness

The awareness of SyncShield has increased during the last year due to the changes in the competitive environment, the increase of the number of resellers, increased publicity and growth in Capricode´s own investments in sales and marketing activities. They have never systematically measured their awareness so the estimates are based on the feedback they have got and on instinct. Capricode sees that today the product brand is quite known in Finland, at least among the professionals. Also some potential end-users have contacted the resellers and asked for this kind of solutions.

> "In companies those who have noticed the need for device management, I believe that if they have tracked down all these products so then they know it [SyncShield]. Or if they have asked someone else about device management hopefully they have come across with SyncShield." (Marketing Manager)[15]

> "But yes our customers have understood to ask for it [SyncShield]. So it has some awareness in Finland." (Reseller 3.)[16]

In other Nordic countries the situation is not so good because of the lack of resellers. Thus, the company is still concentrating on getting more partners in that area who can later start selling the product in native language. In regard to potential end-users

[14] ”Mutta tavallaan se meidän liiketoimintamalli on semmoinen, että ne [loppukäyttäjät]ei tee kertaostoja vaan niillä on jatkuva kuukausilisenssi. Eli ei oo vielä kukaan lopettanut sitä lisenssinostoa. Kai jos ne on tyytyväisiä niin on siinä joku kynnys vaihtaa. Sitten jos puhutaan jälleenmyyjistä niin tämmösen systeemin myynnin käynnistäminen ja ottaminen siihen tuoteportfolioon on kuitenkin niin panoksia vievä juttu, että kyllä ne sen jälkeen ku ne ottaa tämän niin on ne sen jälkeen aika lojaaleja. Että ei me tosiaankaan yhtään jälleenmyyjää olla vielä menetetty.”

[15] ”Yrityksissä ne henkilöt, jotka ovat huomanneet tarvitsevansa laitehallintaa, niin uskon, että jos he ovat yhtään ottaneet selvää näistä tuotteista, niin tuntee sen [SyncShieldin]. Tai jos ovat kyselleet muilta tästä laitehallinnasta niin ainakin toivottavasti ovat törmänneet SyncShieldiin.”

[16] ”Mutta kyllä meidän asiakkaat ovat osanneet kysyä sitä [SyncShieldiä]. Eli jonkun verran tunnettuutta on Suomessa.”

abroad, the product brand is lacking awareness. However, when talking about existing customers of the resellers, they know that the technology they are using is called SyncShield. The main reason for this is perhaps because they can see the SyncShield logo in the Web user interface. For those customers that do not yet use SyncShield the resellers try to sell it in regular control meetings and other customer events.

All in all, the brand recognition and recall is good among the existing resellers and end-users and sometimes it can even be seen as a top-of-mind or dominant product. However, the potential partners and end-users might have difficulties to recognize the SyncShield brand, not to mention to recall it spontaneously. The resellers were of course aware of what the brand stands for and they had an opinion of it. These opinions were usually related to the quality of the product.

Perceived quality of the product

Since Capricode has been able develop SyncShield for years, it is technically of good quality. Capricode itself, its resellers and also the end-users (according to the feedback) all find the quality of SyncShield good compared to the competing products.

> “Let´s say that I do not have experience in competing products but what I have heard is that SyncShield has better quality than at least its closest competitors.” (Reseller 3.)[17]

According to the resellers, the quality is stable, and SyncShield can be defined as an innovative product. It gives a new solution to a new problem. What makes SyncShield´s quality so good is that it is build so that the changes and alterations are easy to make, and thus it is flexible and open to customization. In addition, all the stakeholders interviewed speak well about its ease of use and it does what it is supposed to do. The implementation process is also very quick and simple. Therefore, it is easy for the resellers to sell it since the training does not last for long. The things that dilute the quality and innovativeness in the resellers´ minds are the

[17] ”Sanotaanko, että minulla ei ole itselläni kokemusta kilpailevista tuotteista, mutta kuulopuheiden mukaan SyncShieldin laatu on parempi kuin lähimpien kilpailijoiden ainakin.”

lack of certain features. About 50 % of the customer feedback of one reseller was related to the missing technical attributes that the customers wanted to have. The missing attributes were for example documentation- and configuration-related attributes.

The number of end-users has been growing especially during the last six months. It could be said that these customers are early adapters since this group is still quite small and the need and demand for device management tools have just been arising. Since the popularity is growing, it also indicated that SyncShield is seen as an innovative solution and its quality is perceived as good.

Product brand associations

The most product brand associations that came to the minds of the interviewees had something to do with the reliability, quality and usability of the product. According to the interviewed resellers, SyncShield provides a good value for the money. First of all, it brings more added value to them since it brings more business. Secondly, for the end-users it enables a more efficient way to take care of device purchases and carry out maintenance actions. The good value is based on the fact that the product is a basic, good and practical solution for business customers. These are the associations that also Capricode wants to strengthen.

> “--- What we hope that the associations that comes to mind would be that it [SyncShield] is an easy to use tool for taking care of everyday business. So easy and light and flexible without the association that its attributes are somehow worse or lighter.” (Marketing Manager)[18]

> “What comes to my mind is a simple or easy to use, practical tool. --- It [SyncShield] does not have the most attributes but it has the things that you need for solving everyday problems. That is the story that no other competitor has. That is why I always try to highlight that.” (Sales Manager)[19]

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[18] ”--- Mitä me toivotaan, että siitä tulisi mieleen olisi, että se [SyncShield] on helppokäyttöinen työkalu jokapäiväisten asioiden hoitamiseen. Elikkä helppo ja kevyt ja joustava ilman sitä mielikuvaa, että se olisi ominaisuuksiltaan jotenkin huonompi tai kevyempi.”

[19] ”Minulle tulee mieleen yksinkertainen tai helppokäyttöinen toimiva ratkaisu. --- Tässä [SyncShieldissä] ei ole eniten ominaisuuksia, mutta tässä on ne jutut, joita te tarvitsette päivittäisten

SyncShield also enables the three different ways to operate it which is unique in the market and adds value for the resellers and end-users. Ease to use of the product brings cost savings and the whole solution brings security to the customer.

The resellers confirmed that they have internalized these associations that Capricode have been trying to communicate. The resellers saw that SyncShield has been carefully and patiently been created to the product it nowadays is.

[SyncShield is] “a dear child that is developing” (Reseller 1.)[20]

However, they also posed associations that SyncShield has been developed too much by just thinking about the technology. They called for more marketing- and customer-spirited materials, and more efforts to the visual side of the Web user interface. In addition, one of the main purposes of SyncShield is that it secures the mobile devices of the customer companies, a matter that is extremely important in today´s business world. It could be assumed that these are the things, including carrying out maintenance activities that are the most useful for the end-customers. Thus, Capricode should maybe increasingly emphasize on these associations in its communications. This was also one of the development suggestions made a reseller that will be discussed more thoroughly later.

The origin of the product brand name was unclear to all of the interviewees. They did not know who had created it, if there was a story behind it or what did it exactly mean. The logo was created by an advertising agency (Figure 8.). Therefore, it seems that the name and the logo of the product brand do not have a sentimental meaning for the employees. This was in line with the brand concept associations held by the interviewees: they did not think that the name of the brand was a major part of the brand. The logo of SyncShield raised a lot of associations that were not so pleasing. The underline in the logo got critic both inside and outside the company. It was seen

ongelmien ratkaisuun. Se on semmoinen tarina, jota ei ole kenelläkään muulla kilpailijalla. Siksi minä koitan aina sitä tuoda esille.”

[20] [SyncShield on] ”rakaslapsi, joka kehittyy.”

as too technology-driven, and it associates the product too much with coding. Some resellers also criticized the angular font and grey color of the logo since they emphasize the technicality and hard values. Also the text "Advanced mobile device management" under the SyncShield text seemed to increase visual incoherence.

Figure 8. The logo of the product brand of the case company.

Market behavior

In addition to the brand equity assets described above, Aaker (1996b) also uses market behavior measures, such as market share, market price and distribution coverage, to define brand equity. These measures are more accurate and easy to interpret than those above, and thus they were also added to the interview questions in order to get more information about the brand equity of the product brand. Since for example the market price of a corporate brand cannot be known, market behavior questions were not asked related to corporate brand equity.

When talking about market shares of different manufacturers of device management solutions offered as ASP service, Capricode is according to their own words the market leader. The price of SyncShield follows the market average although some end-users have complained that it is too expensive. However, the cheaper competitive products might be lacking of quality.

> "Those who have bought [SyncShield] have not been horrified at the price but those who are about to buy or are thinking about it are horrified by the price." (Reseller 3.)[21]

> "We have a couple of resellers that have had some cheaper solutions in use but when it has not worked they have had to start all over and change it. Then we have pushed in." (Partner Manager)[22]

[21] Ne, jotka ovat ostaneet [SyncShieldin] niin eivät ole sitä hintaa kauhistelleet, mutta ne, jotka ovat ostamassa tai miettivät sitä niin kauhistelevat hintaa."

The market price is also same for all of the resellers. Instead of the price of an individual product, at least the potential customers might be more interested in the whole product package offered by the resellers, and how that satisfies their needs. So in some cases the price can be a secondary purchase criterion. Capricode is satisfied with the number of SyncShield´s resellers in Finland. In the Nordic countries building the distribution network is still undone.

7.3.2 Corporate brand equity

Corporate brand loyalty

There is loyalty between the case company and its resellers. On one hand, Capricode relies on the resellers to sell as much SyncShield as possible, and them to deliver and forward the right sales information and customers´ feedback. For Capricode it is also crucial to maintain good relationships with its resellers since it is selling SyncShield only through the resellers. As a small company it could not even handle the current amount of customers on its own. In addition, being part of resellers´ product packages that consist of complementary products increases the sales of individual products, also the sales of SyncShield. On the other hand, the resellers rely on Capricode to continue producing the product, making new product releases and improving their products according to the end-users´ needs. Additionally, it is a huge investment for the resellers to start selling a new product and taking it as a part of their product portfolio, and thus they do not easily change the chosen technologies and technology providers. However, it is questionable if the resellers are actually loyal to Capricode as a company or to the technology, to SyncShield.

> “For us Capricode and SyncShield are pretty much like synonyms. But if Capricode would decide to sell its SyncShield technology to somewhere else then we would follow SyncShield technology and not the Capricode company.” (Reseller 2.)[23]

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[22] ”Muutamalla jälleenmyyjällä meillä on semmoisia, joilla on ollut joku edullisempi ratkaisu käytössä, mutta sitten kun se ei ole toiminut, niin he ovat joutuneet aloittamaan sen alusta ja vaihtamaan sen. Että siinä vaiheessa me olemme sitten kiilanneet sisään.”

[23] ”Capricode ja SyncShield on meille ikään kuin synonyymeja. Mutta jos Capricode päättää myydä SyncShield –teknologiansa jonnekin muualle niin kyllä me silloin seurataan sitä SyncShield –teknologiaa eikä sitä Capricode –yritystä.”

Since Capricode has personal relationships with most of its resellers, this also has an effect on the loyalty.

> “But I can at least say that those resellers with whom we have really good relationships, they are loyal to the certain people in this company. That way it can be said that also to Capricode if it is thought that Capricode consists of its personnel. Perhaps the good personal relationships bring loyalty also to Capricode. But of course there would be nothing without SyncShield.” (Marketing Manager)[24]

For resellers, the relationship with Capricode is important and pretty casual. Personal relationships enable that the messages do not fall on deaf ears and they do not have to hesitate with things. In addition, the resellers value that Capricode is a Finnish company that is physically and culturally near so that they can do more co-operation for example in R&D and marketing.

> “This is only just like first love with Capricode. --- I think that this collaboration becomes even closer.” (Reseller 1.)[25]

> “We have been happy that Capricode has accompanied us in our marketing collaboration, and when we have organized customer visits they have showed up.” (Reseller 3.)[26]

Some resellers have found the work environment in Capricode very casual and close and this has pleased them. The only thing that bothered a couple of interviewed resellers was the other resellers Capricode has. It had already caused some channel conflict. On the other hand, one reseller welcomed the competition since when the number of resellers increases, also the awareness of and need for device management increases.

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[24] ”Mutta että minä voisin sanoa ainakin sen, että ne jälleenmyyjät, joiden kanssa meillä on tosi hyvät suhteet, niin he ovat lojaaleja tietyille henkilöille täällä firmassa. Sillä tavalla voisi sanoa, että myös Capricodelle, jos oletetaan, että Capricode muodostuu siitä henkilöstöstä. Että kun on hyvät henkilösuhteet, niin se luo sitä lojaaliutta myös ehkä Capricodellekin. Mutta ei olisi mitään tietenkään ilman SyncShieldiä.”

[25] ”Tämähän on vasta tämmöistä ensirakkautta Capricoden kanssa. --- Mää uskon, että tämä tiivistyy tämä yhteistyö entisestään.”

[26] ”Ollaan oltu tyytyväisiä siihen, että Capricode on ollut mukana meidän markkinointiyhteistyössä ja silloin kun asiakaskäyntejä on järjestetty, niin he ovat tulleet.”

As noted above, the end-users seem to be loyal to the resellers that use the SyncShield technology in their product package. However, the brand that the resellers have in the eyes of the end-users might affect the brand of Capricode and its product brands. For example if the reseller has according to the end-users a good and strong brand, then it could be assumed that the brands of the technology providers are also favorable since the reseller has accepted these brands as part of its good product package. In addition, also the service of the reseller might have an influence on the brands of the technology and the technology provider. Examples of this would be if the end-user has not sufficiently been trained to use SyncShield by the reseller or if the reseller does not react quickly to the problems of the end-user. These situations might reflect to the associations related to SyncShield and Capricode in spite of that the problem was not the inoperability of the product or the lack of training executed by Capricode. This also works of course vice versa.

As a whole company with three separate business units, it is hard to say how much customers Capricode has compared to its competitors. However, Capricode does not think that there is bloody competition in any of its business markets.

Corporate brand awareness

Basically all of the interviewees thought that the awareness of Capricode and its corporate brand is low or not good enough. However, in Finland the situation has improved during the last year.

> "I think it looks brighter. And of course in that sense that we have ourselves been active but also we have more partners and our spokesmen increases." (Sales Manager)[27]

Capricode has always had the policy to inform openly about its acquisitions and new partnerships. They have published a press release after every major business event, and all in all they have tried to be active towards the media. Capricode has of course contacted the existing partners before the press releases and informed them about the

[27] "Minusta se näyttää siinä mielessä valoisalta. Ja tietenkin siinä mielessä se, että me ollaan itse oltu aktiivisia, mutta myös se, että meillä on enemmän kumppaneita ja meidän puolestapuhujat lisääntyy."

new partnerships. According to Capricode, it is important to tell the existing partners, why they have got a new reselling partner and to what customer segment is that reseller concentrating on. This is hoped to decrease the tension and channel conflicts.

Outside Finland the awareness of Capricode is much lower partly due to the lower need and awareness of the whole industry. In addition, since Capricode has also other products than SyncShield, it is hard to estimate its awareness in these markets. Thus, it would be important to decide whether to follow the current brand hierarchy strategy and continue boosting the individual product brands or taking the corporate brand more into account in the marketing.

Perceived quality of the company

There seems not be any consistent planning or maintaining of quality in Capricode. There used to be more consisted work towards quality control; today instead it just shows up in the way the people are behaving with each other and towards the resellers and end-users. The quality is pretty much focused around the products and the R&D department.

> “Yes we do value quality in a technical way in the product. The things are done as good as they are done and they have to work, and in the R&D the boys are very careful what to release. So in that way they have their own personal honor and reputation at stake in the releases. --- But when we have the personal relationships who would really want to ruin his/her reputation in these relationships? So in that way comes the quality. That you want to behave and be reliably.” (Partner Manager)[28]

The only planned quality control has recently been to get the processes in good order, especially those related to the partners. The members of Capricode seemed to understand that before that they need to get for example the internal communications and processes fixed. This still needs a lot of work.

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[28] ”Kyllä meillä laatua arvostetaan sillä lailla teknisesti tuossa tuotteessa. Ne asiat tehdään, niin hyvin kuin ne tehdään ja ne pitää toimia ja tuolla tuotekehityksen päässä ne pojat on tosi tarkkoja, että mitä ne päästää ulos. Että sillä lailla heillä on oma henkilökohtainen kunnia ja maine siinä, että mitä sieltä pääsee pihalle. --- Mutta sitten taas, kun meillä on henkilökohtaiset suhteet niin kuka sitten oikeasti haluaa pilata oman maineensa näissä suhteissa? Niin sitä kautta tulee se laatu. Että haluaa toimia hyvin ja luotettavasti.”

Capricode has got some feedback from its partners concerning the quality control in the company. It has at least partially been contradictory since on one hand they have valued the work of individual employees in Capricode. On the other hand, the internal actions in the company are not always so consistent and this has effects also on the partners. For example, the definition of quality may be different in different departments or organizational levels. Thus, decisions can be made by the top management and they may not be consistent with the message communicated externally by the employees. This could affect the way how the stakeholders see Capricode as a company that invests in quality. Surprisingly however, the interviewed resellers did not mention this although it was acknowledged by Capricode.

Corporate brand associations

The associations triggered by Capricode were mainly positive. The interviewed employees saw the company as a great place to work. They are enjoying working and being together also outside the work place and working hours. They have strong personalities that unfold in the way they work.

> "What comes to my mind from Capricode is persistency and the spirit of working and a little bit crazy company from Oulu that goes through water and fire." (Partner Manager)[29]

Some interviewees associated Capricode strongly with its CEO Jonny Kaarlenkaski and his vision and know-how. His faith in future and innovative ideas seem to strongly steer the company. Also the other employees were mentioned as highly skillful and innovative.

The visual part of a corporate brand, the name and the logo aroused as little attention as the name of the product brand (Figure 9.). No one knew where they came from and who developed them. The name of the company was associated with coding that does not describe the business in a best possible way. Although for foreigners it is

[29] "Capricodesta kyllä tulee itselle mieleen sellainen sisukas ja tekemisen meininki ja semmoinen oululainen vähän kahjo yritys, joka menee läpi vaikka harmaan kiven."

easy to pronounce, it does not tell anything about the things Capricode is doing. In addition, the name also connoted with Italian or Greek. It was seen as more balanced than and not as hard as the logo of SyncShield although the font is the same angular one. One of the interviewed resellers uses only the circle of the Capricode´s logo in their material. Thus, neither the brand equity of corporate nor product brands were based on visual characteristics.

Figure 9. The logo of the case company

The value that Capricode brings to its stakeholders is especially its skillful and committed employees that work well and flexibly together. Information also flows pretty openly and quickly inside the company that enables quick response to the customers' and partners´ problems. In addition, the wishes of the stakeholders are also forwarded quickly to the R&D and they are able to enact according to the feedback. Since the selling of SyncShield happens only through the resellers, Capricode tries to help and support them as well as they can. After the company hired a Partner Manager to work between the rest of the company and its resellers, they have got good feedback of better and smoother processes. The resellers seemed to value that Capricode is keen to co-operate for example in marketing. One of the interviewed resellers said that the most important benefit of Capricode is that it is close. Again, the end-users had not commented Capricode as a company because they do not usually have a relationship with it.

7.4 Rebranding

Inside Capricode there have not been any dramatic changes in order to strengthen both their corporate and product brand (other product brands than SyncShield are not observed in this study). One of the only things they have done is to combine these two brands in a spoken or written language mainly in the media. They have used a couple of times a logo where the two brands have really been united as to "SyncShield powered by Capricode". But it was not seen as a permanent and official solution. In addition, they have tried to clarify the focus of the company so that it is easier to start planning the marketing and branding decisions.

The future sales goals of Capricode are to sell more by supporting and activating the partners to sell more SyncShield, and thus to grow and get a bigger market share. SyncShield is still an unprofitable product whose investments the other products are paying for. Therefore, the main goal is naturally to become profit-making. Outside Finland they try to build a wider partner network. In R&D the aims are to support more applications and develop more features for SyncShield. Getting more awareness and clarifying the marketing message are the objects of the marketing department. Capricode wants both its corporate and SyncShield´s product brand to get more awareness especially abroad.

The interviewees felt that the management did not quite understand that the brand includes not just the name and the logo; instead it includes everything from the people and their behavior to the organizational culture and visual image. In order to successfully brand something, the interviewees called for top management commitment. In addition, it should be recognized that actions that seemed to be small can cause a lot of work. For example, changing a color in the logo enforces the coding of the new logo to all of the Web user interfaces, making new marketing materials, informing and training the employees and other stakeholders to use the new logo and so on.

The new development proposals that the interviewees suggested concerned quite a lot the features of SyncShield. Especially the resellers wanted more applications, such as documentation, FAQ modes, configuration and better structured checking functions. From the visual side, the logo of SyncShield was experienced as too complicated and according to a reseller it did not strengthen the product brand. In addition, the visual image of the Web user interface was seen as too anemic. It was suggested that the interface could undergo a visual makeover done by a graphic designer. One of the interviewees said that today the product is marketed by thinking too little about the end-user and his/her needs. Capricode could stress and concretize the benefits of SyncShield more forcefully and what it enables for the end-users.

Since the end-users usually just see the Web user interface, presumably they do not bond with the brand. Thus, the marketing materials and the training should bring out all the benefits.

In order to boost the corporate brand, the interviewees suggested getting as much visibility in the media as possible and in a positive way. In the media they should more forcefully bring out their know-how and what they can do.

> “They could even more efficiently communicate that from how dynamic and productive environment Capricode has developed. And kind of highlight even stronger their own competence in every forum.” (Reseller 2.)[30]

According to the resellers, the marketing and branding of the company should be more customer- or end-user-driven so that the stakeholders would understand with what they are dealing. Also making the product and corporate information more folksy, less technological and easier to approach could increase the interest of the media towards the company. It is not enough that they have technically good products but they should also be able to sell them.

Also more radical suggestions for rebranding were suggested. First of all, the logo combination, “SyncShield powered by Capricode”, was seen as too long and complicated. Even uniting the name of the company and the product name, Capricode SyncShield, raised some doubts. Although this kind of mixed branding did seem to work in some companies, the two words are too different and somehow complicated to work in that way. Since Capricode has three different products, it could be wise to rebrand all of them at the same time. At least if the company decides to go with the mixed branding and include the corporate name in front of the product names.

It was also suggested that SyncShield could become separated from the company either only in marketing or totally to an own company. In marketing sense it would

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[30] ”He voisivat vielä tehokkaammin viestiä sitä, että kuinka dynaamisesta ja aikaansaavasta ympäristöstä Capricode on virinnyt. Ja tavallaan hehkuttaa vielä vahvemmin sitä omaa osaamistaan joka foorumissa.”

mean for example creating an own distinct visual image for all of the products, and they would not be marketed at the same time. Also they would all get their own web pages. Establishing a totally new company would of course be a more complicated process. In this case the corporate and product brands would be more or less the same which would make the branding process easier.

7.5 Transferring brand equity hierarchically through rebranding: A modified model

Before presenting the empirically modified model of the theoretical framework that illustrates the rebranding process, the initial state of this process is examined. In other words the brand equity of two brand hierarchy levels, product and corporate brands, are discussed. Table 6. summarizes the empirical data related to product and corporate brand equity. As was in the theoretical model, the details of the sources of product and corporate brand equity are not repeated in the modified model. Thus, it is crucial to show them before heading to the modified model.

Table 6. Summary of the state of product and corporate brand equity.

	Product brand equity	**Corporate brand equity**
Brand loyalty	- Resellers show loyalty to the brand - Outside Finland the number of resellers is poorer	- Personal relationships and individuals bases for the loyalty -The brand and service of the reseller might affect the brand of the technology provider - Channel conflicts hinder the loyalty - The end-users loyal to the resellers
Brand awareness	- Awareness based on feedback and instinct - Professionals recognize the brand - Existing resellers and end-users recognize and recall the brand - Also some potential customers have asked for it - Awareness increased during the recent years - Better in Finland than abroad	- Awareness is low or not good enough - It has improved in Finland - The case company has tried to show up in the media and inform openly about its changes

(continued)

	Product brand equity	Corporate brand equity

Perceived quality	- Technically of good quality
	- Stable quality
	- Innovative product
	- Perceived quality based on:
	  - easy to make alterations and changes
	  - flexible and open to customization
	  - ease of use
	  - does what it is supposed to do
	- The popularity has grown
	- Customers are ahead of their time
	- Lack of attributes decline the quality
		- Not any consistent work for planning and controlling the quality
		- Shows up in the way of behavior and product quality
		- Tried to improve the inner and external processes
		- The resellers value the effort of individual employees but criticize incoherent decision-making and communications

Brand associations	- Positive associations related to reliability, quality and usability of the product
	- Brings good value for the resellers and end-users:
	  - brings more business
	  - more efficient way to handle device purchases and maintenance actions
	  - solves everyday problems
	  - enables three operation ways
	  - brings security and cost savings
	- Too technology-driven associations
	- Resellers call for more customer-oriented and visually nicer materials that highlight the benefits in practice
	- The logo was criticized
		- Great place to work
		- Work environment and relationships inside the company are great
		- Associations of the CEO
		- The value based on:
		  - skillful and committed employees
		  - information flows quickly and openly inside the company
		  - quick response times
		  - the case company tries to support and help the resellers as much as possible
		  - hiring the Partner Manager
		  - the case company does co-operation with pleasure
		  - the company is close
		- The name was not well-descriptive
		- The logo was more in balance and not as hard as the product brand logo

Market behavior	- Market leader in ASP services - Price follows the market average, for some potential end-users too high - Enough resellers in Finland but not abroad	- N/A

The loyalty towards the product brand comes out in the reseller relationships. The resellers are bind to a contract with the case company, and thus are in a legal way loyal to the company. However, the actual value of the relationship to them is the product brand and they would be willing to follow it in case it was sold elsewhere. The end-users of the product brand do not usually have a direct relationship with the case company, and hence they are more loyal to the resellers. The product brand is quite well-known in Finland among the industry professional as well as the existing resellers and end-users. Also some potential customers have asked for the product and been aware of its existence. In international markets both the brand loyalty and awareness are weaker than in the domestic markets.

The product brand was highly valued of its technical qualities. It was seen as innovative product that was easy to use, easy to implement, and flexible for customization and changes. Its popularity has been growing especially during the past year which confirms the statement of high perceived quality of the product brand. These technical features were also the first associations of the product brand that came up by the interviewees. Strong reliability, high quality and ease of usability were associated with the product brand. It consists of much strength, including the ability to handle other complementary products and bringing security and cost savings. The weaknesses associated with the too technology-driven marketing, logo and communications. The hard financial measures of brand equity, the market share, price and distribution coverage confirmed that the brand equity of the product brand was good.

As noted earlier, there was loyalty between the case company and its resellers. They both benefited from the relationship in various ways and counted on the other to continue the relationship. The brands of the reseller and the case company were partly interconnected since the brand of the reseller affected the brands in the product packages. The relationships between the resellers and the case company were mainly building on personal interaction between a few people of both companies. This interaction is also the foundation of the quality of the company. When the relationships are doing well also the quality of the interaction must be favorable. However, there has not been any specific work inside the case company to improve the organizational quality.

The interaction was also seen valuable since the employees of the case company got a lot of compliments both from inside and outside the company. The employee-related associations were the strongest associations related to the company. In addition, the transparency of the company and its effort to support the resellers for example by hiring the Partner Manager were brought up. The associations related to the visual features of the company, the name and the logo, were seen as tolerable. The awareness of the case company was seen as weak especially in the foreign markets.

On the basis of the above, the product has stronger brand equity than the company. The brand equity of the product was mainly based on the perceived quality and brand association assets although its brand loyalty and brand awareness were not weak either. Instead, the corporate brand equity was built on the loyalty between the company and its resellers and the brand associations related to the people of the company. Since it can be said that the employees form the company, and since the quality of the product and interaction are based on the work of the employees, the perceived quality of the company was also competent.

After gone through the state of product and corporate brand equity, rebranding is examined next. This action phase consists of the rebranding process that transfers brand equity between the corporate and product brand levels. Figure 10. represents the modified model of transferring brand equity hierarchically through rebranding. The rebranding is triggered by changes in corporate strategy and competitive position. It seems that the rebranding process should start from the basics of branding. In order to rebrand something, the need for a change should be acknowledged and understand what it takes to brand and rebrand. The management support for the process is crucial since they are the ones initiating it, and without their commitment the personnel cannot be incorporated to the change.

Rebranding itself is not just a change of a name or a logo. Thus, all the actions should be carefully planned. Rebranding consists also of more moderate changes such as improving the partner relationships or making the marketing more efficient.
Since the reseller relationships are the foundation for the sales and success of the case company, the case company needs to further develop them. Improving marketing activities is a simple and rather cost-efficient way to rebrand. In order to make the marketing more efficient, the marketing materials should be more end-user-friendly. This way the end-users would immediately understand what the product

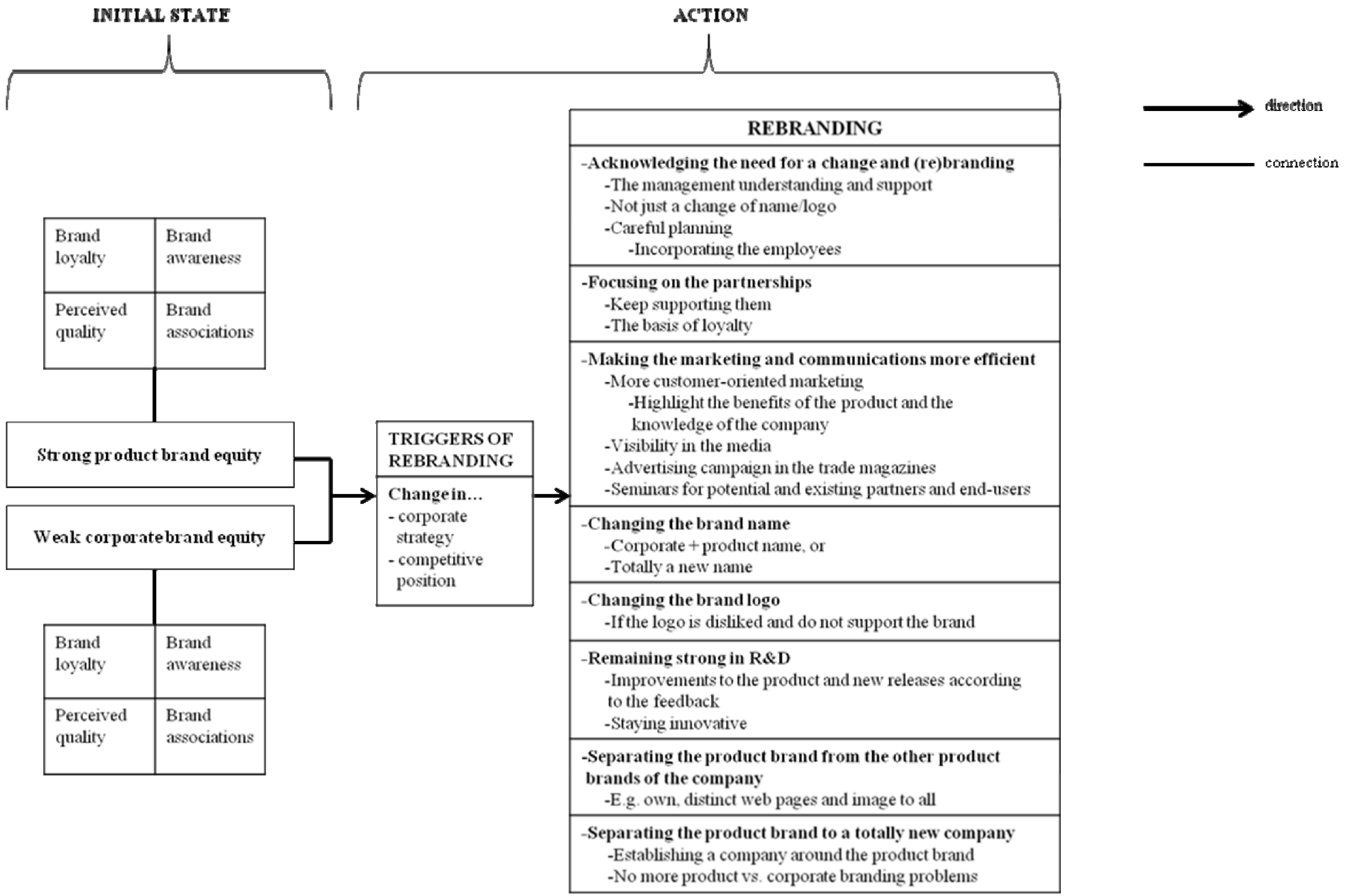

Figure 10. Transferring brand equity hierarchically through rebranding: a modified model

brand is all about and what it enables for them. This would be an easy way to enhance the intelligibility of the product, and thus its brand awareness, associations and even perceived quality. Being active towards the media and making own marketing campaigns would especially increase the brand awareness. One way to improve the brand equity as a whole would be to organize seminars or other stakeholder events. In addition, remaining innovative in R&D by making new product releases and improving the product according to the customer feedback would improve the brand associations and perceived quality. Also by answering to the customers' wishes their loyalty towards the case company should rise.

Many of the above mentioned development suggestions are related to improving the brand equity of either a corporate or a product brand. At first it seems as if the improvements would just raise the existing level of for example marketing or key account management. That is as though they would not actually involve transferring the brand equity between different hierarchical levels but instead evolve in the existing hierarchical level. However, this is not actually the case since the actions directed for developing a brand in one brand hierarchy level also affect the brands in other levels. For example, improving the reseller relationships make not only the brand loyalty of the corporate brand better but also the product brand loyalty since the resellers are more motivated to sell the product brand. Another example would be that when the product brand awareness increases, so does the corporate brand awareness because the company is also mentioned more often in the contracts and by the resellers. In addition, the organizational associations, such as team spirit, have an influence on the associations of the product brand and thus, by uplifting the organizational culture the positive associations transfer to the product as well.

There are also ways to rebrand where the transfer of brand equity between different hierarchical levels is clearer. Changing the corporate or product name has usually a direct impact on the other brands. For example, if the corporate name is added to the product name, the corporate brand associations would transfer to the product brand. Whether this would be a good thing to do or not depends on the whole brand portfolio. Giving a totally new name for the product brand should be considered carefully since this would destroy all the brand equity created during the history of the product. However, it would give a fresh start for the brand especially when it is still in the early stage of its product life cycle. The product brand could also be separated only visually from the other product brands of the company without changing the name. This would disable the transfer of brand equity from the other brands to the product brand. This strategy should be considered if the different products are very different and from different industries. Changing the logo is also a development suggestion that would help to get rid of the negative associations of the previous logo.

The most radical actions would be to separate the product brand and establish an entirely new company. In this case the name of the company and product could be the same and thus the branding would be simple when the branded house brand hierarchy would be used. In this situation the strengths and weaknesses of that brand hierarchy would apply.

Executing one or more of the development suggestions described above would enable the transfer of brand equity from product brand level to corporate brand level and vice versa. Since the product brand has a moderately strong brand equity related to brand loyalty, brand awareness, perceived quality and brand associations, it could be transferred to the corporate level through different rebranding actions. The positive brand equity of the company is based on the partner relationships, high-quality behavior of the employees and brand associations. Hence, rebranding could be used to transfer these assets to the product brand level.

The hoped result for the whole process would be strong product brand equity that would be enhanced with the new corporate brand equity assets, and stronger corporate brand equity due to the favorable product brand equity assets. Also other scenarios are possible, such as the decline of the brand equity of either of the brands, but the preceding ones are the goals of this study and thus, part of the modified model.

8 CONCLUSIONS

In this chapter the theoretical contribution of this study is presented by comparing findings of this study to the existing studies. After that the managerial implications give some practical development suggestions. The evaluation of the study discusses the validity and reliability of this study, followed by the limitations of this study and the future research suggestions.

8.1 Theoretical contributions

The purpose of this study was to examine the different brand hierarchy levels and how brand equity can be transferred from one brand hierarchy level to another through rebranding. The topic is interesting since brand hierarchies and especially corporate branding have gathered increased attention in the academic literature. It is understood that companies need to be branded just like individual product brands (Hatch & Schultz 2003). At the same time when the academic world has channeled its interest in corporate branding it has been realized that the formation of brand equity varies in different brand hierarchy levels. However, corporate brand equity is still lacking previous studies. This study is also extremely current since there has been many high-profile corporate rebrandings especially due to the recent boom in mergers and acquisitions and the drive towards industry consolidation (Muzellec & Lambkin 2009). However, this study concentrates not only renaming a company; instead it also tries to find ways to rebrand both corporate and product brands. Thus, the specific view point of this study is in many ways unique.

The theoretical framework for this study was built on literature focusing on brand hierarchies (particularly Aaker & Joachimsthaler 2000b; Kapferer 1992; Keller 2008; Laforet & Saunders 1999; Urde 2003), brand equity (Aaker 1992; 1996a; Keller 2000; 2003; 2008; Farquhar 1989) and rebranding (Muzellec & Lambkin 2006; 2009; Stuart & Muzellec 2003, Muzellec et al., 2003; Lomax & Mador 2006). There are several more or less complimentary models of brand hierarchies where at least the product-dominant, corporate-dominant and mixed branding are usually included in. The brand equity literature concentrates mainly on product brand equity, whereas the rebranding usually refers to changing a brand name. After the literature review, the empirical research was conducted by making a qualitative case study in a Finnish mobile software company, Capricode Oy. Interviews were used as the main data collection method. The empirical study strengthened the theory in many ways but also some important differences could be found. A new model was created on the basis of the theoretical framework by modifying it according to the empirical study.

Both the theoretical and empirical sections aimed at finding answers to the research questions. The first main research question was: (1.) *how brand equity is formed in different brand hierarchy levels?* This issue is easier to look at by first dividing it into smaller pieces which are: branding, brand hierarchies and brand hierarchy levels as well as brand equity. First of all, the previous literature showed that the word brand refers to a mark or a name that denotes ownership and added value, and differentiates the brand from competing products (Balmer & Gray 2003). Similar kind of definitions for a brand emerged from this study as well. It is seen as associations and emotions towards a brand in the eyes of the stakeholders. These associations create extra value for the brand that could be either a product brand or a corporate brand. Consequently, also this study acknowledged the importance of branding.

In the brand hierarchy discussion this study focused on the differences between product and corporate brand levels and what if either of them is wanted to highlight over other brands in the brand hierarchy. According to this study the decision of choosing a brand hierarchy is not as carefully planned as the existing literature indicated (Aaker & Joachimsthaler 2000b). If a company wants to share the associations of its corporate brand with all of its product brands, and try to gain more synergies vertically and horizontally in its brand hierarchy, corporate-dominant branding would a suitable strategy (Aaker & Joachimsthaler 2000b). However, if the company is more interested in keeping its product brands separate from the corporate and other product brands (McDonald, de Chernatony & Harris 2001) as well as investing in them individually (Aaker & Joachimsthaler 2000b), it is likely to choose a product-dominant branding strategy. These are all rational reasons to choose a certain kind of brand hierarchy strategy. However, in this study no specific rationale was found why the existing brand hierarchy was chosen, or did it just turned out to be like that in the course of time. Thus, this study differs from the previous studies and claims that the choice of brand hierarchy might be less planned and rational than previously thought.

As in the existing literature also in this study the concept of corporate brand seemed to be less known and clear than the product brand. This study did not highlight the benefits of corporate branding as much as the prior studies (e.g. Hatch & Schultz 2001; de Chernatony 2002). However, the differences between the product and corporate brands in the management, number and type of stakeholders as well as in the values strengthened the previous literature (Hatch & Schultz 2001). Instead, in other suggested ways (Hatch & Schultz 2001; Balmer 2003) differences could not be verified or expressed. Thus, corporate branding differs from product branding mainly in the way how it is more connected to the people of the company, where as the product brand originates from the physical product characteristics. In fact this study suggested that manufacturing companies are still relying on the usability and quality characteristics in their product brand building, precisely how the existing literature says it should not be done (Aaker 1996, 72-6).

The effect of the reseller’s brand on the manufacturer’s brand showed up in the empirical part of this study. This issue has also drawn attention in the academic literature (see e.g. Glynn 2009 or Webster 2000). The reseller’s satisfaction to the manufacturer’s brand affects the reseller’s trust on the manufacturer, cooperation on matters concerning the manufacturer´s brand and commitment to the manufacturer´s brand (Glynn 2009). This study confirmed these things since the success of the corporate and product brands of the case company were in many ways depended on the resellers and how eagerly they were selling the product brand, what kind of training the end-users got in order to use the case company´s product and what the end-users thought about the product packages of the resellers and the reselling company itself.

This study strengthened the existing studies (e.g. Swait, et al., 1993; Keller 2003, 60) by acknowledging that brands create equity in the stakeholders´ minds and it differentiates the brand from the competing brands. According to this study, both the product and corporate brand loyalties are based on the stakeholder relationships, especially on the reseller relationships. Behavioral brand loyalty described in the literature (Rundle-Thiele & Bennet 2001) was in this study attached to the buying type and legal contracts since both the resellers and end-users needed to invest so much in the introduction of the product brand that they were reluctant to change it without good reasons. Attitudinal brand loyalty, especially corporate brand loyalty, was more related to the people relationships and how the contact persons in both companies interacted. All in all this study confirmed that perceived risk, inertia, habit, satisfaction and involvement drive the stakeholder loyalty towards a brand (Rundle-Thiele & Bennet 2001). Not necessary frequent-buyer programs (Aaker 1996a, 21) but instead stakeholder relationship management was a good way to enhance the loyalty of existing stakeholders.

Brand awareness should among other things give feeling of confidence, reduce risk and simplify and give a justification for the purchase decision (Aaker 1996a, 21; Lehmann & Winer 2002, 254). However, in this study potential resellers or end-users were not interviewed and thus it remained unclear how the brand awareness affects the product and corporate brands. Among the existing stakeholders it was verified that brand awareness has a favorable impact on the response of advertising (Calder & Sternthal 1980) or marketing all in all, since the end-users were able to ask for the brand from the resellers and thus, it was easier for the resellers to sell a previously known brand.

The perceived quality of a product brand definitely has a major impact on the product brand equity (Lehmann & Winer 2002, 254) since most of the product brand associations emerged in this study related to the usability and quality of the product. This study also confirmed the prior literature (Lehmann & Winer 2002, 254) by stating that when the quality improved also the other brand equity assets, especially brand loyalty and brand associations, became better. The perceived quality was mainly based on prior own experience, and less on for example word-of-mouth and prices as suggested in the literature (Zeithaml 1988). The behavior of the employees and perceived quality of the product brand were the only issues mentioned in this study to have an influence on the perceived quality of the company. Therefore, when the literature proposed that high-quality corporate image will result in high-quality products in the eyes of the customers (Keller 2000), the situation was rather the opposite in practice. This might be the case since there was no conscious corporate brand image building that could have affected the stakeholders´ associations of the corporate brand. Moreover, the stakeholders did not seem to associate for example the long-term investment value, financial soundness, ability to attract talented people and environmental responsibility (McGuire et al., 1990) with the quality of the company.

The product attributes and customer benefits were mentioned as product brand associations both in this study and in the prior literature (Aaker 1991, 115). However, the existing studies (e.g. Aaker 1991, 115) brought out much more associations related to product brands than emerged from this study. Thus, maybe technology products are still looked at through specs that see just the technical features. Instead, many of the corporate associations mentioned in the literature (e.g. Keller 2000; Chen 2001), such as concern for customers, locality, innovativeness, people and relationships as well as corporate ability, were also brought up in this study. Thus, it was confirmed that corporate brands can create a much wider range of associations than product brands (Keller 2008, 449).

The sub research questions were used in order to divide the main research questions into smaller parts. The first sub research question tried to find out (i.) *what kind of brand equity assets can be transferred between different brand hierarchy levels?* This study showed that basically all kinds of strong brand equity assets can be transferred from one brand hierarchy level to another. In the existing literature there are mentions about transferring brand awareness, brand loyalty and brand associations particularly in the context of changing the name of a world-known company, and trying to transfer the brand equity of the old brand to the new one (Muzellec & Lambkin 2006). Also inside the brand hierarchy brands can transfer at least positive brand associations to each other by aligning all or some of the brand hierarchy levels under the corporate or product brand name (Muzellec & Lambkin 2009). However, this study also showed that if some brand equity assets are weak, such as the brand awareness of the case company, there is not an asset that could be transferred.

The second main research question aimed at finding out (2.) *How brand equity assets can be transferred between brand hierarchy levels through rebranding?* This study showed that brand equity can be transferred between brand hierarchy levels by executing different kinds of rebranding actions. However, the rebranding literature concentrates mainly on changing the name of a company and the process behind that action (e.g. Stern 2006). Actually there are barely any mentions (e.g. Muzellec & Lambkin 2006) of actually *transferring brand equity*. Instead in this study many more actions were presented in order to develop and improve both the corporate and product brands. Although the aim of rebranding both in this study and in the literature was to enhance, regain, transfer or recreate the added value of the brand (Muzellec & Lambkin 2006), this study found more solutions to gain this object. Some of these actions are gradual and do not have an immediate effect, just like the evolutionary rebranding in the branding literature. Examples of such actions would be the change the marketing materials to more customer-friendly or developing and maintaining good stakeholder relationships.

Some of the rebranding tasks are more radical and demand a lot of planning and resources. Academics would categorize these actions to revolutionary rebranding. Changing the brand name or establishing an entirely new company would be examples of the more radical rebranding actions according to this study. The driving forces of the rebranding plans that occurred in this study were the changes in corporate strategy and competitive position. Even though the literature highlights the recent boom of mergers and acquisitions as the main reason for rebrandings (Muzellec & Lambkin 2009), this did not come up in this study. The typological choices of rebranding (Lomax & Mador 2006), i.e. the re-iterating, re-defining, re-naming and re-starting, were not either highlighted in this study since a suggested rebranding action can be any one of them.

Surprising was that the meaning and choosing of a brand name that were highlighted in the literature (e.g. Daly & Moloney 2004; Muzellec et al., 2003), turned out to be very meaningless in this study. Although the brand names should be internally and externally accepted (Muzellec et al., 2003), this guideline did not apply in practice. The origin of both the product and corporate names were unknown and actually they were even not extremely liked. Even so, changing the brand names entirely was not even considered.

A good logo should symbolize the organization and be clear to the stakeholders (Stuart & Muzellec 2004). However, in this study the logos of both corporate and product brands were not thought to be descriptive and increase the brand equity of the brands. Consequently, the brand name and logo might not have that big an impact on the satisfaction of existing stakeholders. In addition, in technology industry people are maybe more used to abstract brand names and logos as well as less creative logos that emphasize hard values.

The second sub research question objected to find out (ii.) *does the rebranding process affect the brand equity in different brand hierarchy levels?* According to the results of this study, the rebranding process itself can increase or decrease the brand equity or it can have no effect on it. For example, if a company has a popular product brand, it can rebrand the entire company so that it changes the name of the company to the name of the product brand. Thus, positive brand associations can be extended and transferred to the corporate level just like the previous literature suggested (Muzellec & Lambkin 2009). Instead, if a company has a lot of business units and it aligns all of its business units with the corporate brand, a scandal in one of the business units is likely to damage the brand equity of all of the business units of a company (Aaker & Joachinsthaler 2000b). Therefore, this study confirmed that if the business units are very different from another, the extension of the corporate name to the names of the business units is a risky action. Sometimes the rebranding might not have an effect on the brand equity of one or more brand hierarchy levels. An example would be the change of a logo of an individual product brand in product-dominant branding strategy. In this case, the rebranding might not have an influence on the brand equity of the corporate brand or the other product brands of the company.

8.2 Managerial implications

This research can give several improvement suggestions for managers in order to develop the brand building. Since the action phase of the modified model of the theoretical framework consisted of development suggestions, also the managerial implications concentrate on that action phase, i.e. rebranding. In order to see these action proposals in detail look at the chapter 7.5 *Transferring brand equity hierarchically through rebranding: A modified model.*

Before going on to the rebranding suggestions, one thing that really demands attention is the choice of a brand hierarchy. If a company has chosen a certain brand hierarchy, it should be aware of the advantages and disadvantages of that brand hierarchy. For example, the corporate-dominant branding strategy does put the corporate brand to the background and the individual product brands are the ones, where the marketing and branding concentrate on. There are benefits and drawbacks in every brand hierarchy and thus, a company should give up on some advantages in order to gain advantages elsewhere. Also for the case company of this study it would be wise to sit down and think what they want to achieve in their branding. Is it increasing the brand equity of the product brand or the corporate brand, or should they maybe invest more in the product brand and use the corporate brand only when dealing with the investors, resellers and local authorities? That decision of focus affects the creation of brand equity in different brand hierarchy levels and the possible rebranding actions in the future.

It should be acknowledged that rebranding itself is not an easy task. However, there are numerous ways to rebrand and they all do not have to require a lot of resources. For example putting more emphasize on the reseller relationships or keeping strong in R&D are tasks that ask for long-term involvement. However, they can be reached by maintaining the current level of investments but allocating the resources better. The management should always initiate or at least support the rebranding strategies. Without their commitment the strategy cannot be internalized in the whole company.

This study showed that market a technology product does not mean that the marketing should concentrate on the technical features of the product brand. Instead, also the customers should be considered and think how they benefit from the product. Moreover, the benefits should be described so that even non-professionals understand what they are. This way the potential customers can become interested in the product even without the push from the resellers and independently contact the manufacturer. Additionally, not just the product brand but also the corporate brand should be marketed and communicate its strengths to the stakeholders (at least in the corporate-dominant branding strategy). For the stakeholders it seems to be important for example that the manufacturer is Finnish.

Changing the name and/or logo of a brand is one of the riskiest forms of rebranding, and thus this study tries to avoid giving too specific recommendations and instead describe the benefits and drawbacks of different forms of renaming. Changing the brand name to a totally new name usually always involves losing some or all of the brand equity of the old brand. However, that would enable starting with a clean slate and not attaching the liabilities of the old brand name to the new brand. On the other hand, extending the existing corporate or product brand names to the other brands in the brand hierarchy (e.g. changing all the brand names of a brand hierarchy under a corporate or product name) would conserve the brand equity of the brand name that is being extended. But then again the brand equity of the old brand names would at least partly be lost.

Mixed branding strategies, such as adding the corporate name to the product name, could be a solution if the company wants to form an umbrella brand and link all of the brands together. However, if the corporate and product names are very different and the new combination name is very long, it might complicate the marketing. Although the logo does not seem to be very important success factor according to this study, changing it to a better one might ease the marketing and attract new customers.

If the individual product brand has a strong brand equity and it is very different from the other product brands of a company, a way to increase the brand equity further could be to separate it from the other brands in marketing. Separate web pages and visual identities would enable the individual growth of the product brand and lighten the burden created by the other brands. In this case the corporate-dominant branding strategy should be forgotten and concentrate on the individual product brand. The most dramatic rebranding strategy would, however, be to separate the product brand totally by establishing a new company under the product brand name. This would ease the focus of branding since the corporate and product brand would be the one and the same. This strategy should be considered when the product brand is especially strong and it does not require any other brand names to keep it alive. However, it also requires a lot of investments, especially those coming from the establishment of a new company.

8.3 Evaluating the research

During and after the research process the researcher should pay attention to the decisions that affect to the whole meaning and usability of the research. If the research is badly conducted or if the results and conclusions cannot be evaluated by the reader, it is no use to anyone. Validity means the ability of the research method, approach or result to express what it is supposed to express (Grönfors 1985, 173-4), whereas reliability refers to the stability of the operations to get the same results by different researchers in different times (Yin 1989, 41). When thinking about the reliability and validity of a research, the researcher should think what things in different stages of the research are affecting the evaluation. Thus, the only way to show the validity of a qualitative research is to tell everything that could be assumed to ease the independent judgment of a study (Grönfors 1985, 178). The research is the more valid the more detailed description the research report gives about the empirical research process. In this research the chapter 6.5 describes the detailed empirical research design.

The used research methods have been explained and justified in the earlier chapters so that the reader of this study can examine independently the research results. For example, the details of the interviews are presented in the empirical research design. Also the role of the case company and the relationship between the researcher and the case company has been explained in order to describe how intense and confidential the relationship was. (Grönfors 1985, 186-7)

8.3.1 Validity of the research

In qualitative research the concept of validity is used in a different way than in quantitative research. Actually, there are no unambiguous instructions of how to evaluate qualitative research (Tuomi & Sarajärvi 2002, 135). However, since the topic is highly discussed in the qualitative research arena, there are some guidelines. Validity in qualitative research has to do with description and explanation and whether or not the explanation fits the description or not (Janesick 2000, 393). In addition, qualitative research does not acclaim that there is only one way of interpreting an event.

According to Ghauri and Grønhaug (2005, 216), in qualitative research four types of validity are often emphasized. Descriptive validity refers to the degree to which the actual description holds true, whereas interpretative validity tells how good the interpretation is (Ghauri & Grønhaug 2005, 216-8). Since this study is descriptive and it gives the researcher more freedom to interpret the analysis, these things are extremely important. In this research the appropriate quotations were added to the analyses in order to verify the interpretation. Theoretical validity describes the adequacy of the suggested results on explanation, whether they hold the true or not. Lastly, as described in the methodology chapter, the generability is a highly debated subject in qualitative research. This research relies on the analytical generalization which acclaims that the suggested concepts and models can be used to explain other cases in a similar concept (Yin 1989, 44).

Also other forms of validity occur in the literatures which are usually related to quantitative research. Internal validity explains the extent to which the researcher can infer that a causal relationship exists between two or more variables (Ghauri & Grønhaug 2005, 85). Thus, it exists in a research if the relationships between different theoretical and conceptual definitions are logical. In practice internal validity can be verified by using common sense. It reflects the theoretical approach of the researcher so that s/he masters the scientific field. In this research various sources of previous literature have been used to confirm the internal validity. External validity describes the relationship between the theoretical conclusions and empirical data, and thus is simply related to the verifying of the hypothesis. Data gathered through interviews is externally valid if the interviewees have given truthful information about the phenomenon. Since in this research saturation could be noticed between different interviews, it seems that the external validity was good.

Construct validity refers to establishing correct operational measures for the concepts being studied (Yin 1989, 40). It can be increased by collecting data from multiple sources since it allows addressing a broader range of historical, attitudinal, and observational issues (Yin 1989, 97). Also for example sufficiently made citations to the used documents and interviews increase the construct validity. In this research both multiple sources of data and specific references to the original sources of data have been used. Also familiarizing oneself carefully with the previous studies and concepts improves the construct validity (Hirsjärvi & Hurme 1985, 129), and thus, in this research this was done with great care. (Grönfors 1985, 174.)

Since this research uses abductive reasoning, the empirical data is always valid (Grönfors 1985, 37). Also the difference between the internal and external validity vanishes. The only thing that can be questioned is how the researcher utilizes and presents the data.

8.3.2 Reliability of the research

Reliability measures the unambiguousness of the study. In other words, if a later investigator would follow the procedures of a previous study described by an earlier investigator, s/he would arrive at the same conclusions and findings (Yin 1989, 45). Thus, the objective of reliability is to minimize the errors and biases in a study. Since there was no possibility to have another researcher to make the study all over again, the reliability has been tried to increase by describing the whole research process as precisely as possible. For example, all the interviews were taped in order to minimize any errors or carelessness, and the tapes were transcripted. Transcripting the interview tapes word for word and carefully classifying the materials improved the reliability of this study (Hirsjärvi & Hurme 1985, 129). The transcripted data was coded and analyzed by using QSR Nvivo which makes it easier to be exhaustive in analysis. Thus, anyone could hear the interviews again and verify the transcriptions and the chosen nodes.

Reliability can be categorized into four different types. Congruence refers to the way how the indicators measure the same things. Accuracy of the instruments tells if the measures of a repeated phenomenon give the same results. The objectivity of the instrument can be used to check how far other people understand the meanings of the researcher, whereas the consistent similarity of the observation is expressed through the continuity of the phenomenon. In this study the reliability has been trying to increase by asking the same thing in different forms and in different interviews. After that the results have been compared. In addition, several questions were asked about the same themes in order to increase especially the validity of the research (Hirsjärvi & Hurme 1985, 129). The researcher has also got to know with the methodological literature which should increase the reliability of the methods since she knows how to use them. (Grönfors 1985, 175.)

8.4 Limitations of the research

The limitations of a case study usually relate to the lack of generability and accuracy in the data collection and analysis (Eriksson & Koistinen 2005, 3). The problems of generability in qualitative research were already discussed in the methodological chapter and thus, it can be just summarized that case studies create analytical generalization. In other words, the suggested results can be used to explain cases in similar kinds of contexts. However, a single case study and its results cannot be used to explain all the cases in the same industry, not to mention in different industries.
Moreover, the case company in this study sells its product through a unique distribution channel and thus, this affected the collected data.

The accuracy in the data collection and analysis might have been limited on one hand due to the choices made by the researcher and on the other hand due to the given circumstances. The analysis was conducted by the researcher and thus, it is always influenced by the subjective choices and intellectual world of the researcher. The interviewees were chosen by the contact person in the case company and therefore the researcher did not have an influence on the matter. Later on it turned out that for example the CEO of the case company would also have been a good person to be interviewed. In addition, the phone interviews did not give as rich data as the face-to-face interviews and thus, the diversity of the data was slightly suffered. Finally, since the interviews were concentrated on the initial state of the modified theoretical model, the action phase of the model was mainly created by the researcher by using the theory, data and personal reasoning.

8.5 Future research

Since the research area of this study is still quite untouched, there are plenty of research gaps for future studies. First of all, the concept of corporate brand equity is extremely less researched and thus, it is a rich research topic for several of researches. For example, appropriate research topics would be to study the formation of corporate brand equity and does it differ from the formation of product brand equity. Secondly, studying the differences of the brand equity of B-to-B and B-to-C markets would definitely be worth studying since most of the product brand equity literature concentrates on consumer goods. Thirdly, a topic related to the previous suggestions would be to study the formation of corporate brand equity in consumer markets and does the more important impact of the consumers affect the brand equity. Fourthly, the different possibilities of mixed branding are still quite unstudied and therefore, plenty of research gaps exist in that area. Finally, the question whether some brand equity assets can more easily be transferred between the hierarchy levels than others would be an interesting thing to research.

In addition to the above mentioned future research topics that are related to the brand equity, there are also many research gaps in the rebranding research. As discussed in the previous chapters, the rebranding literature mainly concentrates on renaming. However, at the same time it is acknowledged that there are various ways to rebrand and not all the actions are revolutionary rebranding. Consequently, focusing on the other ways of rebranding would be an important new study area. In addition, there are not any researchers concentrated on the rebranding a product brand. The only existing literature focuses on brand extensions which, however, is not the same thing.

Additionally, the phenomenon of this study could be studied in different contexts, such as in different industries and different countries. Of course it would also be interesting to continue this study in the same case company, and evaluate the future rebranding actions. Especially the rebranding phase of this study deserves a more thorough examination than could be provided in this study.

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Interview framework, members of Capricode Appendix 1

1. Background questions
    a. Brand
    b. Brand hierarchies
2. Product brand
    a. Meaning of the name
    b. Brand building
    c. Brand awareness
        i. Estimations of the awareness
        ii. Measurements
    d. Brand loyalty
        i. Customer base compared to the competitors
        ii. The relationship with the resellers
        iii. The relationship with the end-users
        iv. The effect of other resellers
        v. Customer loyalty
    e. Perceived quality
        i. Technical quality compared to the competitors according to the informant
        ii. Feedback of the quality got from the resellers/indirectly from the end-users
    f. Brand associations
        i. Associations arising from the name, logo, all in all
        ii. Strengths of the product brand
        iii. Feedback of the product brand all in all from the resellers/indirectly from the end-users
    g. Market behavior
        i. Market share
        ii. Price
        iii. Distribution coverage
        iv. Resource allocation between the business units
3. Corporate brand
    a. The meaning of the name
    b. Brand building
    c. Brand awareness
        i. Estimations of the awareness
        ii. Measurements
    d. Brand loyalty
        i. Customer base compared to the competitors
        ii. Loyalty towards the company vs. the product
    e. Perceived quality
        i. Quality management/Efforts towards organizational quality
        ii. Feedback of the corporate quality from the resellers/indirectly from the end-users
        iii.
    f. Brand associations
        i. Associations arising from the name, logo, all in all
        ii. Strengths of the company

iii. Feedback of the company all in all from the resellers/indirectly from the end-users

4. Rebranding
    a. Existing plans
    b. Development suggestions of the informant
    c. Goals for the future

Interview framework, resellers Appendix 2

1. Background questions
    a. The product packages
    b. The means of selling
    c. The role of SyncShield in the product packages
2. Product brand
    a. Brand awareness
        i. Estimations of the awareness
        ii. Recognition by the end-users
    b. Brand loyalty
        i. Satisfaction (both resellers and end-users)
        ii. Loyalty towards SyncShield or Capricode (both resellers and end-users)
    c. Perceived quality
        i. Technical quality compared to the competitors
        ii. Leadership in the industry
        iii. The growth/decline of the number of customers
        iv. Innovativeness
        v. Feedback of the quality, own and from the end-users
    d. Brand associations
        i. Value/Worth its price
        ii. Strengths of the product brand compared to the competitors
        iii. Associations arising from the name, logo, all in all
        iv. Feedback of the product brand all in all, own and from the end-users
3. Corporate brand
    a. Brand awareness
        i. Estimations of the awareness
        ii. The importance of product and corporate brands
    b. Brand loyalty
        i. The relationship with Capricode (compared to the other technology providers)
        ii. Capricode´s relationship with end-users
        iii. The impact of the other resellers of Capricode
    c. Perceived quality
        i. Efforts noticed towards organizational quality
    d. Brand associations
        i. Associations arising from the name, logo, all in all
        ii. Strengths of the company
        iii. Feedback of the company all in all, own and from the end-users
4. Rebranding
    a. Development suggestions to both of the brands by the informant

QSR NVivo nodes Appendix 3

The empirical data was coded and analysed by using a computer-assisted qualitative data analysis software called QSR NVivo. The transcripted data was brought to the program, and coded by using earlier defined nodes. The definition of the nodes was based on the theoretical framework and themes arousing from it. The nodes used were:

Free nodes:

1. Company
2. Branding
3. Product brand
4. Corporate brand
5. Rebranding

Tree nodes:

6. Brand equity
   a. Product brand equity
      i. Brand awareness
      ii. Brand loyalty
      iii. Perceived quality
      iv. Brand associations
      v. Market behavior
   b. Corporate brand equity
      i. Brand awareness
      ii. Brand loyalty
      iii. Perceived quality
      iv. Brand associations