Brand Management in SMEs
- The Case of Hasta AB -

A Master Thesis

In partial Fulfillment
Of the Requirements for the Degree
Master of Arts/Science in Business Administration, Marketing and Management

By
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ABSTRACT

This thesis explores the issues around the process of brand management in SMEs. Most of conventional principles prescribed in the brand management literature are invalid to be applied to the SMEs’ marketing problems, but there are some relevant researches regarding some proposed branding policies for small businesses.

The purpose of this thesis is to find an effective and practical brand strategy for SMEs, which means I expect to generate a framework for the SME branding process. After I developed a conceptual model, some proposed branding guidelines were examined through a case study. Qualitative interviewing was used to collect data within a Swedish SME – Hasta AB.

The empirical findings indicate that the SME branding policies are highly influenced by these factors: brand awareness, marketing strategies, brand recognition and resource etc. Based on the empirical findings, my conceptual model was adjusted by assessing the effect of proposed policies. In conclusion, I came up with a final model of brand management in SMEs which helps SMEs to build and develop their brands. The model involves some executable branding policies for SMEs.

KEYWORDS: Brand management, SMEs, brand strategy, branding policy, brand equity.
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1 INTRODUCTION

This chapter introduces the topic area of my thesis by providing an intention of my research and presenting the structure of the study. It begins with a background to the selected topic. Later the problem of the research will be brought forward, and it will be followed by the clear purpose and research questions. The research questions lead the theoretical and empirical study. The chapter is concluded with an outline of the thesis structure.

1.1 Background

The significance of branding has become the common view of marketing activities. Most of entrepreneurs can realize that one of their most valuable assets is the brand which aims to establish the identity of their products or services in marketplace by having a good reputation (Aaker, 1996). The definitions of brand are varied, however, I like the most by (Kapferer, 1997) “a product or service, which a customer perceives to have distinctive benefits beyond price and functional performance”. Keller (2003) considers the uses of a strong brand as to simplify consumer decision making, reduce risk, and set expectations. Table 1.1 shows the advantages and disadvantages of branding from the viewpoint of enterprises (Onkvisit and Shaw, 1989).

Therefore, it is essential for enterprises to maintain and enhance the strength of corporate brand through strategic brand management. The management of brands is the same as the management of perceptions of consumers (Elliott and Percy, 2007). It seems that we should understand the relationship between brands and consumers firstly, and the effects of consumer behaviour to brand management (Keller, 2003; Elliott and Percy, 2007). A successful brand must accord with the consumer’s perceptions of the product, the packaging, promotion, and pricing (Keller, 2003).

In this thesis, I will discuss brand management in small and medium-sized enterprises (SMEs). The new SME definition was adopted by the European Commission in January 2005, which defines “the category of micro, small and medium-sized enterprises is made up of enterprises which employ fewer than 250 persons and which have an annual turnover not exceeding 50 million euro” (European Commission, 2003). One prime reason for selection of SME because SMEs play a significant role in the national & regional economy (Hill, 2001), meanwhile SMEs have shortages in financing, budget, marketing support and human resource etc. Thus, there are
many limitations during the branding of SMEs, which is why many SMEs entrepreneurs are not willing to concentrate efforts on “low-return” brand promotion activities. However, nobody can ignore that an influential brand is capable of producing a strong customer relationship and creating loyalty in the fierce competition among masses of SMEs.

Table 1.1. The advantages and disadvantages of branding. (Onkvisit and Shaw, 1989)

<table>
<thead>
<tr>
<th>Advantage/Disadvantage</th>
<th>Branding/No branding</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Advantages</strong></td>
<td><strong>Disadvantages</strong></td>
</tr>
<tr>
<td>No brand</td>
<td></td>
</tr>
<tr>
<td>1. Lower production costs</td>
<td>1. Intense price competition</td>
</tr>
<tr>
<td>2. Lower marketing costs</td>
<td>2. Product less likely to win market approval</td>
</tr>
<tr>
<td>3. Lower legal costs</td>
<td></td>
</tr>
<tr>
<td>4. Flexible quality and production volume control</td>
<td></td>
</tr>
<tr>
<td>Branded</td>
<td></td>
</tr>
<tr>
<td>1. Product becomes better known</td>
<td>1. Higher production costs (including high inventory costs)</td>
</tr>
<tr>
<td>2. Greater opportunities for differentiation</td>
<td>2. Higher marketing costs</td>
</tr>
<tr>
<td>3. Opportunity to build brand loyalty</td>
<td>3. Higher legal costs (including credit risk)</td>
</tr>
<tr>
<td>4. Price premium</td>
<td></td>
</tr>
</tbody>
</table>

Obviously, SMEs encounter confusion and difficulty on branding or brand management since they have limited resources (Ahonen, 2008). Most successful cases of brand management are from large companies such as Apple and Google. I am interested in the relationship between SMEs and brand management. In the next section, I will discuss in detail about brand management in SMEs, and then give the research problem corresponding to my concern.

1.2 Problem

The approach of SMEs to brand management differs from the practices applied by large companies (Berthon et al., 2008). The main reason for this is that SMEs have limited resources and budget (Ahonen, 2008). Besides, SMEs need to face the challenges not only from the similar but also much stronger large firms in the same competitive environment. So, the brand strategy in SMEs should be built upon and apply for internal and external challenges (Abimbola, 2001).
Abimbola (2001) gives a general idea of brand management is to use brand to integrate innovation and resources within the firm. Furthermore, the design and implementation of the SME branding must be more careful than major brands. Approximately 23 million SMEs account for over 99% of all enterprises in the European Union of 25 countries (European Commission, 2003). For huge quantity of SMEs, the resource-base is a determinant of their potential capabilities (Magnusson and Nilsson, 2005). However, Berthon et al. (2008) point out that even with constrained budgets, the SME branding still can be creatively managed, and the key of branding is in the hands of the SME owner-manager. SMEs have been largely overlooked (Berthon et al., 2008).

Berthon et al. (2008) and Krake (2005) find that some of the conventional principles prescribed in the marketing literature are invalid to be applied to the SMEs’ marketing problems in the branding practices. So, my research problem is “how to develop proper methods of brand management in SMEs?” In fact, the research problem involves two phases which start with formulating a conceptual model for investigating brand management in SMEs, and conclude with analyzing the gap of collected branding policies and practices through a real case study. The first phase will guide whole theoretical part; and the second phase of my problem indicates the general idea of the discussion about SME marketing.

1.3 Purpose and Research Questions

The purpose of this thesis is to find some effective and practical marketing strategies for SMEs to build and manage their brands. I set this purpose to solve the two phases of the research problem: 1. an appropriate branding policy must be efficient use of limited resources in SMEs, 2. the deductive branding policies should be tested and filtered by practices. Since similar researches have been published about brand management in SMEs, first I will prepare a conceptual model with proposed SME branding policies on the basis of the previous researches.

As follows, two primary research questions are designed to reflect the purpose:

**Question one**: What branding policies should be highlighted by SMEs in theory?

**Question two**: Which proposed branding policies should be applied by SMEs in practices?
1.4 Scope and Delimitation

My research is directed to an SME – Hasta Holding AB (corporation), which is located in Köping, Sweden. The subject matter of the study is to find an effective and practical brand strategy for SMEs, especially aim at the situations appearing in the market management of Hasta AB. Altogether five principals of Hasta AB are my respondents in the data collection. This study limits its coverage on several managers in Sweden only, and most of the referenced research articles are from Europe.

1.5 Structure of the Thesis

The disposition of my thesis will follow the below sequence:
2 THEORETIC FRAMEWORK

Theories, guidelines, model and propositions connected to the purpose and research questions are presented in this chapter. I have gathered some relevant research results from the published studies, thereinto the main literature is the book “Strategic Brand Management (Keller, 2003)” which is the primary source of my theoretical framework related to brand management. And this chapter is structured according to these studies. I begin with the introduction of the basic concepts of brand management, and then explain some existing findings and guidelines from those similar researches. Once the preparations are ready, I will discuss the proposed model and also give my propositions in the final section.

2.1 Customer-Based Brand Equity

Keller (2003) said strategic brand management process is all about “building, measuring, and managing brand equity”; and he also points out that the purpose of branding is to endue products and services with the strength of brand equity. In the 1980s, the concept of brand equity occurred and finally figured in the actual asset value of a company. Smith (1991) considers brand equity as the measurable financial value in transactions, and this value is generated from company’s branding activities. The content of brand equity involves brand name, trademark, product, and all the elements created by marketing, research and production (Pagano, 1990).

Keller (2003) introduces the concept of customer-based brand equity (CBBE) to explain the process of building a strong brand. He describes customer-based brand equity as “the differential effect that brand knowledge has on consumer response to the marketing of that brand”. Then he uses the CBBE concept to explain the sources of brand equity which are from a high level of brand awareness and distinct brand associations in customer memory. So I will introduce brand awareness and brand associations in the following subsections.

In practice of brand management, the main differences between large firms and SMEs appear in building and managing brand equity, besides few researches refer to measuring brand equity in SMEs, thus my study will not involve brand equity measurement or the third step (measure and interpret brand performance) in Keller’s (2003) strategic brand management process. Based on
the strategic brand management process and the theoretical steps of building customer-based
brand equity, I obtain a basic theoretical framework of building and managing customer-based
brand equity (see Figure 2.1).

![Diagram of Strategic Brand Management Process](image)

*Figure 2.1. Building and managing customer-based brand equity. (Keller, 2003)*

**Brand Loyalty**
The final goal of building, measuring, and managing brand equity is to create brand loyalty.
Brand loyalty means customers want to spend more time, energy, money etc. in the brand during
consumption. Brand loyalty has two aspects: 1. intensity – how deeply the loyalty is felt, 2.
activity – how frequently the consumer buys and uses the brand (Keller, 2003).

### 2.1.1 Brand Awareness
When customers talk about which brand they like, that implies people must be aware of the brand
firstly. As the source of brand equity, strong brand awareness can provide an important
competitive advantage, and its power comes from the sense of familiarity in consumer memory
recognition and brand recall. Brand recognition reflects the consumers’ ability to recognize the brand which has been previously seen or heard; brand recall means the brand name can be recalled from consumer memory when they need a sort of product (Keller, 2003).

People consider brand awareness as the core asset of brand equity, the reason of that is from the great influence of brand awareness in consumer decision making. Keller (2003) describes the influence form following three aspects:

1. Influencing the formation and strength of the other source of brand equity – brand image.
2. Affecting the consumer’s consideration set.
3. Influencing choices among brands in the consideration set.

2.1.2 Brand Associations
Brand associations by definition are those associations that linked to the brand in memory, and various brand associations compose brand image (Keller, 2003). Keller (2003) also points out that brand associations can be formed in mind through personal experience, commercial publicity, word of mouth and so on.

In the CBBE concept, the categories of brand associations are not the emphasis of description, but the real points are the features of well brand associations which include strength, favorability and uniqueness. Strength of brand associations means that consumers’ brand experiences should strongly link to the desired brand knowledge through marketing communication programs. Favorability of brand associations relates to choice of associations which can satisfy consumers’ needs and wants from the brand. Uniqueness of brand associations is used to explain the importance of brand positioning on competitive advantage (Keller, 2003).

Core Brand Values
Talking about brand associations, the concept of core brand values should be introduced together. Core brand values are a few major categories of brand associations, and usually each category consists of two to four associations. For example, the label “top athletes” is a category of Nike
Brand associations, and the associations could involve Michael Jordan, Tiger Woods, and Andre Agassi. Core brand values are also the basis of brand positioning (Keller, 2003).

2.2 Brand Marketing Programs

Brand marketing programs are used for creating a brand based on desired brand knowledge structures, and linking strong, favorable, and unique associations to the brand. As mentioned earlier, brand marketing programs belong to the process of building brand equity, and all of them can be use to enhance brand awareness and structure desired brand associations. Brand marketing programs consist of three factors: the choices for the brand elements, the integration of brand and marketing activities, and the leverage of secondary associations (Keller, 2003).

2.2.1 Brand Elements

Brand elements form the identity of a brand. The common brand elements include brand names, domains, logos, symbols, characters, slogans and packages. The choice of brand elements should comply with six criteria (memorability, meaningfulness, likability, transferability, adaptability, and protectability) in order to build, leverage and hold brand equity. Each element has a different effect in building brand equity, so it is important to not only choose brand elements but integrate them as well. So, marketers should design a set of brand elements according to each strengths and weaknesses, and the aim is to generate mutual support among different brand elements and brand marketing programs (Keller, 2003).

2.2.2 Brand Marketing Activities

Brand marketing activities mean that building brand equity through marketing mix. Product strategy is very important in the process of brand-building, because it directly influences customers’ perceptions of the quality of the product, and perceived quality is at the heart of brand equity. Marketers use value-based pricing strategies to create associations about the level of the brand in the category. The aim of channel strategy is to match brand and store images through designing and managing direct and indirect channels. The marketing communications program of building brand equity also involves advertising, promotion, public relationship, personal selling,
and sponsorship; these marketing communication options should be evaluated according to their ability to influence brand equity, and considered as the whole rather than the sum of the parts (Keller, 2003).

### 2.2.3 Secondary Associations

Secondary associations are those brand associations created by linking to other entities which is provided with existing knowledge structures in consumer memory, and the working principle of secondary associations is that customers may conclude the brand shares some of the same associations with those entities (Keller, 2003). For example, the entity can be a nation, and consumers believe that cars have good quality when the car brand is linked with Germany.

Keller (2003) claims this indirect way to building brand equity as leveraging secondary brand knowledge. He also introduces eight approaches to creating secondary brand knowledge:

1. through branding strategies
2. through identification of product origin
3. through channel strategy
4. through co-branding
5. through licensing
6. through endorsements
7. through sponsorship
8. through awards

The process of transferring secondary knowledge from other entities that can be divided into two types: creating new brand associations to another entity, or influencing existing brand associations.

### 2.3 Brand Development

This section is about managing brand equity, which covers two aspects: maintaining and expanding brand equity (Keller, 2003). Previous researches reveal that SMEs should notice some key branding policies in the process of managing brands, and proposed branding policies will be tested through empirical study. In order to better introduce those branding policies, I will explain several relevant concepts in the following subsections. These concepts involve the management of various brands and product categories over the long run within the organization.
2.3.1 Brand Portfolio and Hierarchy

The branding strategy of a company means the method of choosing brand elements for different products and connecting products to company brand names. The target of branding is to help consumers understanding the product structure of the company in memory. Therefore, I need to introduce brand portfolio concept for determining brand elements, and present brand hierarchy for capturing the potential branding relationships (Keller, 2003).

The brand portfolio is the set of all the different brands under a larger umbrella brand owned by a particular company. So, a brand portfolio is a particular category of products, the purpose of the brand portfolio strategy is to maximize brand equity for all brands in the same portfolio. The brand hierarchy displays the number and nature of the common and distinguishing characteristics of all the company’s products. A typical brand hierarchy provides a structure to the brand family with some brand levels; usually the top level is the company brand, and the ordinal levels include family brand, individual brand, and modifier (Keller, 2003).

2.3.2 Brand Extensions

Brand extension is all about designing a brand for the new product. Keller (2003) has suggested three options: new brand, existing brand, and a combination of them. Elliott and Percy (2007) argue that brand extensions can stimulate the market, cover the new product, and meet new market demand. The decision of brand extension strategies must go through a series of evaluations, thereinto the first step and also the critical one is to clearly understand actual and desired consumer brand knowledge structures. Previous researches only pay a little attention on naming new product and brand extensions in the brand management of SMEs.

2.3.3 Brand Consistency

The sources of brand equity must be maintained and developed to reinforce brand awareness and brand image over time. Thereinto, the consistency of the brand marketing support is critical to maintaining the strength of brand associations, and this consistency is called brand consistency. Brand consistency does not mean always keep the changeless brand marketing programs, but
employ different types of changes the marketing programs to create the same desired knowledge structures in consumer memory. The successful brands always hold continuity of the fundamental brand meaning over time no matter what tactical changes used in their marketing program (Keller, 2003).

2.4 The Findings about High-Performing SMEs by Berthon et al

Pierre Berthon, Michael T. Ewing, and Julie Napoli published their research of “brand management in small to medium-sized enterprises” in the journal of small business management in 2008. The authors introduce 10 brand management practice (BMP) dimensions from Keller’s brand report card, and totally 37 items are used to measure these BMPs within different sizes of enterprises. Their research results involve different organizational performance between SMEs and large companies, and it also shows some key BMPs implemented in high-performing SMEs.

Through comparing the brand management activities undertaken by high versus low-performing SMEs, Berthon et al. (2008) find that high-performing SMEs emphasize following 7 of 10 BMPs than less successful counterparts: 1. brand delivers benefits customers truly desire, 2. brand stays relevant, 3. brand is consistent, 4. brand portfolio and hierarchy make sense, 5. brand uses full repertoire of marketing activities to build equity, 6. brand managers understand what the brand means to consumers, 7. brand is given proper support and it is sustained over the long run.

2.5 The Branding Guidelines for SMEs by Keller

Keller (2003) mentions small business in his book, and he found that building brands for a small business unlike large companies due to the limited resources and budgets in SMEs. Therefore, Keller argues that small businesses must hold the consistency of brand marketing programs and create new ideas in marketing strategies. Finally he offers the five specific branding guidelines for establishing a strong brand by small businesses, and in the chapter 5 these branding policies will be detailedly analyzed along with the empirical findings.

1. Concentrate on building one or two strong brands.

2. Focus a creatively-developed marketing program on specific brand associations.
3. Use a well-integrated set of brand elements.
4. Design “push and pull” marketing campaigns to attract attention and create demand.
5. Leverage as many secondary associations as possible.

### 2.6 The Branding Guidelines for SMEs by Krake

Frank B.G.J.M. Krake published his article “successful brand management in SMEs: a new theory and practical hints” in 2005. In the study, he confirms the validity of the first three Keller’s (2003) branding guidelines above and rejects the last two (No.4 and No.5); meanwhile Krake adds three new branding guidelines which are about brand development, specifically he emphasizes on the entrepreneurs’ functions during managing brand.

1. Entrepreneurs should be consistent in their policy and activities.
2. Link the brand to the character of the entrepreneur.
3. Develop a passion for the brand within the company.

In my research, I will not discard those two Keller’s guidelines which denied by Krake, because the objective of my research is to collect and confirm all potential branding policies for the creation of a strong SME brand.

### 2.7 The Proposed Model and Propositions

Based on the previous literature review I develop conceptual model (see Figure 2.2) in this theoretic part. The framework of the model is on the basis of Keller’s (2003) strategic brand management process, more specially, it is about the approach of building and managing customer-based brand equity (see Section 2.1).

After determining the basic structure, I decide to classify above mentioned BMPs (see Section 2.4) and guidelines (see Section 2.5 and 2.6) as either building or managing brand equity. The classification aims to understand which branding policies should be implemented in different aspects of brand management. Through analyzing the items of each BMP, only 1 of the 7 highlighted BMPs is used for building brand equity by high-performing SMEs, which is “brand
uses full repertoire of marketing activities to build equity”, and the other 6 BMPs belong to matters of managing brand equity. All five Keller’s guidelines relate to how to build a brand instead of managing brand equity. While, three Krake’s guidelines involve maintenance and development of company brand, they should belong to the part of managing brand equity.

![Diagram of Brand Management in SMEs](image)

**Figure 2.2. Proposed Model of Brand Management in SMEs.**

Finally you can find the most important step of the analysis model: gap analysis between branding policies and practices. These BMPs and guidelines will be designed as interview questions which are used for collecting data, and the reason of doing so is to test practicality of
these branding policies. The final brand strategy in SMEs will depend on the research results of the gap analysis. As stated in this section, the conceptual model can be understood as the analysis flowchart (see Figure 2.2) which based on the Figure 2.1.

According to the literature review, I present three main propositions, which will be empirically evaluated in this study. As mentioned earlier, brand marketing programs are built on desired brand knowledge structures, and I believe SMEs follow the same theory. Therefore, in order to test the model I suggest the first proposition: “The brand knowledge of an SME also guides its brand marketing programs as large firm does”. This proposition relates to the link ① (see Figure 2.2) of the conceptual model.

Due to the limited resources and budget, I suppose many SMEs may not have special brand managers, and in SMEs most marketing campaigns aim to attract distributors and promote sales rather than building brand equity. So here is my next proposition: “Brand marketing programs are lack of special attention and sufficient market execution in SMEs”. This proposition relates to the link ② (see Figure 2.2) of the conceptual model.

I argue that branding policies are designed for managing brand equity and winning brand loyalty over the long run, however, the marketing strategies in SMEs may be designed toward short-term and instant revenue, and it could be difficult to find a balance between them. Thus I have the third proposition: “Some policies of brand development are in conflict with the practical marketing strategies of SMEs”. This proposition relates to the link ③ (see Figure 2.2) of the conceptual model.

Based on this frame of reference, I will empirically test these three propositions in my thesis. The research methodology of my empirical study will be explained in the next chapter.
3 METHODOLOGY

The aim of this chapter is to explain the methodological choices in relation to the research strategy, research design and research method. Furthermore, this chapter ends with a discussion on validity and reliability of the research approach.

3.1 Research Strategy

3.1.1 Deductive Theory

The research approach can be defined as induction or deduction. Induction is where the researcher approaches reality, without any preconditions, to see which theories might appear from experience; on the other hand, the researcher uses deduction on the basis of known theories and studies in the relevant research field (Bryman and Bell, 2007). Deductive research is to find unknown principles, and to uncover unknown consequences of known principles. In this sense I intend to use the deductive approach in this thesis, since I have planned the empirical study based on previous knowledge of the area under study, which consists of the literature reviewed on brand management in SMEs.

3.1.2 Qualitative Research

The purpose of the study can be realized by either quantitative or qualitative strategy. The quantitative strategy helps to design the research in a way where subjective aspects, such as emotions and characteristics, are regarded as measurable data through statistical treatment; on the other hand, the qualitative strategy aims at explaining and understanding a phenomenon instead of creating generalizations in the most reliable and objective way possible (Bergström, 1994). Strauss and Corbin (1998) presents that qualitative research means any type of research that produces findings not arrived at by statistical procedures or other means of quantification. It can refer to research about persons’ lives, lived experiences, behaviors, emotions, and feelings as well as about organizational functioning, social movements, cultural phenomena, and interactions between nations.
The reasons of choosing qualitative research strategy are caused by the purpose of this study as well. Firstly, qualitative strategy is suitable in examining the collected branding policies; besides I also need in-depth data collection concerning SME employees’ ideas in practice, which qualitative strategy allows but quantitative strategy can not. Apparently, the strength of qualitative research is to provide information about the “human” side of an issue that is, the often contradictory behaviors, beliefs, opinions, emotions, and relationships of individuals.

3.2 Research Design

3.2.1 Case Study

The research design is the foundation and the logical sequence for the collection and analysis of data. There are five research designs available for both qualitative and quantitative strategy: experimental design, cross-sectional design, longitudinal design, case study design, and comparative design (Bryman and Bell, 2007). This research is based on a case company and the research approach is presented as a qualitative case study. The reasons for using a critical case study involve that I already have an interested object and I aim to have an in-depth understanding of my propositions as well as circumstances within which the propositions are believed to be true. However, one inescapable problem around the single case study which concerns the external validity of the research, “how a single case possibly can be representative so that it might yield findings that can be applied more generally to other cases” (Bryman and Bell, 2007). Yin (2009) argues that the researcher of the case study should focus on the generalisability of the study by enhancing description of the context of the case.

3.2.2 The Case Company

In the empirical study, it is a great pleasure for me to reach a Swedish SME – Hasta AB. I choose Hasta AB as the case company, which fits my purpose and the research questions of the thesis. The reasons of selecting this company start from my personal contact with the CEO of Hasta, and on the other hand Hasta is an SME with more than one brand system inside. It is the first time as well as a big challenge for me to investigate the problem in a real-life context. An additional
challenge would be how I am supposed to structure interview questions to ensure the validity of a single case study.

Hasta AB was founded in 1982 by Stefan Schörling in Köping, and now it is a branch office of Hasta Group (see Figure 3.1). The products of Hasta AB include four categories: decorative curtain rods, decorative curtain rails, aluminum curtain rails, and curtains. Hasta has a strong awareness in Sweden, about 95% of brand recognition throughout the region. In 2010, Hasta AB has a turnover of approximately 5.5 million EURO, of which 80% within the Swedish market and the rest in other European countries. Today Hasta AB has about 25 employees. Hasta AB is working with both distributor and retailer, but the major distribution channel consists of distributors around Sweden. (Constantakis, personal communication, 2011-04-29).

![Figure 3.1. Organization Structure within Hasta Group.](image)

3.3 Research Method

3.3.1 Semi-Structured Interviewing

Research data consists of primary and secondary data. Hasta AB has very limited secondary data, especially own a few English materials. Therefore, a research method is needed to gather primary data in the case study. Bryman and Bell (2007) introduce five methods in their book: ethnography
and participant observation, qualitative interviewing, focus groups, language-based approaches to
the collection of qualitative data, and the collection and qualitative analysis of texts and
documents. The qualitative interviewing as a method is suitable for this study because it gives
more comprehensive answers and is beneficial in reducing the risk of respondents
misunderstanding the questions. To collect the primary data, in-depth interviews were conducted
with five staffs of Hasta AB.

There are two types of qualitative interviewing. One is the unstructured interview and the other is
semi-structured interview. Unstructured interviewing starts with a single & directed question and
the interviewee can respond freely; unlike unstructured interviewing, in a semi-structured
interviewing the interviewer has a list of specific questions and interview follows a rough outline
(Bryman and Bell, 2007). In order to answer research questions stated above, I hope to obtain the
specific response related to the deductive branding policies, thus I prepare some specific
questions for the semi-structured interviewing. The interview guide (see Appendix – Interview
Questions) around the issues that I consider essential for analyzing the set research problems.

### 3.3.2 Respondents

Total five employees interviewed personally and all interviews have been working within the
organization. All respondents had worked within the organization for a long time. It gave me the
possibility to investigate how brand management is operated in Hasta AB during the past years.
The duration of each interview is approximately 45 minutes.

- Stefan Schörling – CEO of Hasta Group
- Stergios Constantakis – CEO of Hasta AB
- Lasse Mutaniemi – Key Account and Sales Manager
- Therese Danielsson – Director for Marketing & Design
- Helena Karlsson – Marketing Coordinator for Graphic Design & Information
3.4 Data Processing

Unlike quantitative research, there is no plenty of statistical data and fixed formulas for the case study data processing. Yin (2009) has suggested that people should start analyzing the case study data with small interview questions, afterwards identify the useful information that addresses the questions. As I explained earlier in the section 2.7, the interview questions are designed on the basis of the proposed branding policies. Thus, it is important to interpret and analyze the case study data in terms of the theoretical framework presented in the chapter 2. The empirical findings will be structured in the chapter 4 according to the classified subject matters.

There are four general analytic strategies for the case study according to Yin’s (2009): relying on the theoretical propositions, developing a case description, using both qualitative and quantitative data, and examining rival explanations. I select the first one “relying on the theoretical propositions” as my analytic strategy, because I want to focus attention on certain data which related to solving my propositions. In the chapter 5, the previous theoretical propositions will be a theoretical orientation guiding my case study analysis (Yin, 2009).

3.5 Validity and Reliability

Validity and reliability are significant criteria for the evaluation of research. They are the keys of whether the procedures and results of the research are repeatable, and they also assess the conclusions are valid or not.

Validity is about whether my case study measures that which it intends to measure for the purpose. There are two types of validity: external validity refers to my ability to generalize the results of my study to real life settings; internal validity is the extent to which a study properly measures what it is meant to. In order to improve the validity, the researchers can conclude the study on a combination of interview data, business documents and theoretical considerations; or send transcripts of the interviews back to the interviewees for double-check.

Reliability is about whether other researchers can get the same findings and conclusions following the same procedure which I follow. Reliability in my qualitative research refers to the
reliability of the interview design and the interviewees chosen. I believe that all interviewees’ knowledge and practice can contribute to the reliability of this study, so I choose the respondents who are not only from marketing department but also production field within Hasta AB.
4 EMPIRICAL DATA

In this chapter all the empirical findings from the case study will be presented. I conducted this empirical study in order to investigate the gaps and propositions described earlier as practiced in real life. The qualitative interviewing was conducted in Köping – the headquarters of Hasta AB. The findings from the interviews are divided into five parts which according to the main theoretical items in the process of building and managing customer-based brand equity. The five parts include brand knowledge, brand elements, marketing activities, secondary brand knowledge and brand development. The interview questions asked within each part are designed in the light of the proposed branding policies.

4.1 Brand Knowledge

The questions asked within this part during the interviewing were: How do you see the meaning of brand Hasta? What customer perceptions do you want Hasta to associate with? Comparing with other brands, what kind of consumers prefer the brand image which you just described?

The first two questions were designed to understand what existing and expected brand associations in their memory. The words “quality” and “design” appeared frequently in the answers. Four of five interviewees thought that quality is one of the most important brand associations to Hasta, such as Constantakis (personal communication, 29 April 2011) said “design, manufacture and sales well fit the product with high quality”. Mutaniemi (personal communication, 29 April 2011) also mentioned the Hasta brand with the image of good quality and varied assortments. Karlsson (personal communication, 29 April 2011) repeatedly stressed the slogan “creator of trends” which means Hasta wants to find new functions and designs for the products. Schörling (personal communication, 29 April 2011) gave a complete description for the brand image of Hasta, “We hope our band stand for quality, design and also a little bit like the creator of trends…I think people will knowing us and have an understanding that we have been able to develop the product which is new and also a little bit better than others. The design provides functionality and smart solutions”. Danielsson (personal communication, 29 April 2011) added that they are trying hard for the innovation and fashion in the product design.
Constantakis (personal communication, 29 April 2011) believes that most consumers are attracted only by price even Hasta is working hard on product quality, design and function for its consumers. It seems that the price is a critical factor for an SME in the market. Schörling (personal communication, 29 April 2011) also said something about price, “In Sweden more and more consumers just consider price. We don’t have the retailer network, and we need other retailers, it means we can never be the winner in lower price. We can be the winner in making good things for raising our products”. Danielsson (personal communication, 29 April 2011) gave a clear connection between the target consumers and pricing in Hasta, “We are not aiming for the customers only like low price, but the consumers with a little bit higher educated and with a little bit higher income”.

4.2 Brand Elements

The questions asked within part two during the interviewing were: What is the reason of using different brand names within Hasta Group rather than holding the unified brand name “Hasta”? Did Hasta employ any professional organization for design of the brand logo?

These two interview questions were used for investigating the practicability of Keller’s (2003) branding guidelines. Constantakis (personal communication, 29 April 2011) said that the reason of using current brand structure which is to meet different needs in the market. He believes that different brands are able to meet and satisfy different clients. For example, he mentioned the reason of keeping the brand name “Lectus” within Hasta Group, “The name is well-know in the market before it joining in Hasta Group, so by changing name you could destroy the brand of course”. He also explained the reason of naming the factory of Hasta with the brand “HD4U”, “It is serving a lot of customers with products, Hasta AB is only one of the clients HD4U works with”. Above statements had been confirmed from Schörling (personal communication, 29 April 2011), moreover he added “HD4U is also producing products to our competitors…these competitors don’t like to buy from the competitor, they like to buy from another name”.

About design of the brand logo, I would like to hear Danielsson and Karlsson because of their job duties. From the interviews, one thing can be sure that the brand logo was designed by the
founder a long time ago. “A previous managing director wanted a title below our brand name to show what we are…and then we felt that ‘creator of trends’ is really what we stand for in our business” (Danielsson, personal communication, 29 April 2011). Danielsson explained how the brand logo contributes to the brand image. Karlsson (personal communication, 29 April 2011) stressed that the slogan “creator of trends” is to show customers that Hasta wants to be a head of making new things for the windows.

4.3 Marketing Activities

The questions asked within part three during the interviewing were: Are there any limitations when you plan to build the brand “Hasta”? Do you think whether the affects of product quality, pricing and distribution method which totally fit the brand image of Hasta? Did you ever hold a kind of campaign which convinces distributor of the strength of Hasta and captures final customers’ attention?

No surprise as mentioned in the first chapter, SMEs have shortages in financing, budget, marketing support and human resource. For instance, “Financing is always a limit. Another big limit is to get updated market needs that to make ourselves to work with the right product portfolio in the whole time” (Constantakis, personal communication, 29 April 2011), and “We don’t have knowledge to build online shop” (Karlsson, personal communication, 29 April 2011). Danielsson (personal communication, 29 April 2011) mentioned something new about limitation, “Time is the biggest one, you have to arrange everything by yourself, because small company can’t afford agency to make everything for you”.

Hasta is always trying to satisfy the customer with a set of well integrated marketing programs. “All these are connected to each other. It’s a kind of total service you give to the customer, and this is also appropriate for our brand management” (Schörling, personal communication, 29 April 2011). “In our case, it’s to always to fit the statement ‘creator of trends’…to give products that all the time on the leading point in the design sense, in the quality sense, and in the function sense. We try to make the products in quality that is high enough for Hasta image, and also price them in the sense to feel what our slogan under the brand” (Constantakis, personal communication, 29
April 2011). Thereinto, many respondents mentioned the same issue about the gap between existing distribution channels and brand management. “We only sell to other retailers such as small shops and big chain stores, but we don’t own the distribution” (Constantakis, personal communication, 29 April 2011). Thus, branding becomes very difficult through the distribution chain. Schörling (personal communication, 29 April 2011) further discussed the relation between the pricing strategy and the distribution strategy in Hasta, “the pricing is quite ok…we are not confident enough to forward our feelings to the salespeople who should convince of customers with higher price…we are training retailers, and then they forward the message to end-consumers”.

There was no such “push and pull” marketing campaign held by Hasta before. Hasta had a lot of campaigns in the past years, however, most campaigns aimed to attract and serve distributors and retailers. “Our main point with that kind of marketing in magazines, we are trying to show our retailers that we are making the brand known to end-consumers. But our main focus is how to communicate with our retailers, because they hold and sell our products” (Constantakis, personal communication, 29 April 2011). Danielsson (personal communication, 29 April 2011) believes that it is very hard to find a way to reach end-consumers when you are a small company, because advertising as the common approach it costs too much.

4.4 Secondary Brand Knowledge

The questions asked within part four during the interviewing were: Do you agree to create new product brand on the basis of existing brand? Do you agree to register the brand name as “Hasta – Sweden” in other geographic areas? Do you agree to develop co-branding for brand extension?

Regarding the first question in this part, all respondents disagree to develop product brand with the method of integrating the brand name “Hasta” into product names or using single names/codes to represent their products. Mutaniemi (personal communication, 29 April 2011) believes that the customer will be totally confused if we give a new product name such as “Hasta-iPad”, because “Hasta” is so old in the market that everybody knows. Danielsson and Karlsson
(personal communication, 29 April 2011) mentioned the same reason that Hasta owns a lot of product categories which can not be named through inserting “Hasta” all the time. While Constantakis (personal communication, 29 April 2011) argues that the small companies do not have recognition and ability of mass marketing as the large company does, so it is impossible to make consumers to be aware of new product names.

Contrary to the last question, all people agree to associate the brand to the name of country, because Sweden means high quality and nice design in the interviewees’ mind. In the case of co-branding in Hasta, four out of five interviewees agree to employ co-branding for brand extension. Meanwhile some of them add that co-branding can be implemented in SME, but it must be considered under concrete cases. “There must be some kind of connections between the two companies if they want to have co-branding” (Danielsson, personal communication, 29 April 2011).

### 4.5 Brand Development

The questions asked within part five during the interviewing were: Do you have a plan to set up a corporate “Forum, Space or SNS” on the Internet to understand customers’ actual desire based on collected customers’ comments? Do you think brand image should be updated to follow customers’ tastes and market conditions? Do you think the current brand structure is able to clearly capture the potential branding relationships among the different corporation functions inside Hasta Group? Based on your knowledge, what is brand manager supposed to know about brand development? Do you agree to associate the brand image with the character of the entrepreneur? Do you think it is feasible to motivate all the staff for building corporate brand?

The first question was designed to understand how Hasta AB delivers benefits that customers truly desire. The good thing is that Hasta already has a company page on the Facebook site, and Danielsson (personal communication, 29 April 2011) said that she checks the customers’ comments on the Facebook everyday. She also explained that the company should keep the identity, but it is also important to adjust company strategy to adapt the preference of customer group. Constantakis (personal communication, 29 April 2011) had a similar idea that brand
image should be all the time updated to the market needs, and the proper timing of new products launches that requires us to understand the needs of market, which means not only building the brand image but also meeting the right time.

As mentioned earlier, a clear brand portfolio contributes to manage brand equity in a company. Constantakis (personal communication, 29 April 2011) said “we are trying the whole time to find the trends between different companies…in some ways we have a big possibility that we take advantages from existing company structure”. He just found an advantage of developing brand portfolio between different branch offices, but he did not explain how Hasta AB gets advantages from the existing brand structure within Hasta Group. Danielsson (personal communication, 29 April 2011) gave further idea of brand portfolio within Hasta, “It’s not necessary (to change the branch office name)…it’s more important on the branding to make people recognize that Hasta represents curtain rods & sun screens and Lectus is bed”. Other respondents showed the similar viewpoints with Danielsson, and the reasons are similar to some answers presented in part two.

The marketing personnel in an SME can also have good understanding about what the brand means to consumers. All interviewees of marketing field mentioned “market situation”, “customer needs” and so on in their answers. For instance, Danielsson (personal communication, 29 April 2011) said “start to understand how market looks like, what kinds of competitors are there, what kinds of customers we have and what they want”. Besides, it seems that the staffs of Hasta completely agree to the last two branding guidelines from Krake (2005). For example, about relationship between the brand image and the entrepreneur, Constantakis (personal communication, 29 April 2011) said “use storytelling to fill up the brand image…there is a person behind the brand name…Stefan for 25 years works for this and that”. All respondents stress the necessity of motivating all the staff within Hasta, such as Mutaniemi (personal communication, 29 April 2011) said “everybody has to be interested in ‘Hasta’ brand, we have to train them to learn our products”.
5 ANALYSIS

This chapter aims to contrast the proposed BMPs and guidelines with the empirical findings presented above. In terms of the second research question of this thesis, I interpret which proposed branding policies fit SMEs in practices and which is not. The analytic process is divided into two familiar aspects: building and managing customer-based brand equity. Those empirical data will be discussed further and the conclusions will be presented in the next chapter.

5.1 Gap Analysis in Building Brand Equity

In terms of previous theoretic framework, the branding policies of building brand equity consist of 1 BMP and 5 Keller’s branding guidelines. I am going to analyze each branding policy by comparing with the empirical findings.

“Concentrate on building one or two strong brands.” (Keller, 2003)

Keller (2003) argues that it is important to focus on one or two strong brands/company names at the initial stage of a brand, because a singular brand strategy can be more effective to build brand equity with few resources. Constantakis (personal communication, 29 April 2011) argues that several different brands/company names are able to meet and satisfy different clients, the reasons could be from company history, brand awareness, or marketing strategy. Constantakis’ viewpoint represents that of most respondents, therefore the case reveals that different brand lines can bring more sales and market share for an SME. Furthermore, according to my personal knowledge, many SMEs employ multi-brand strategy to expand distribution channels.

“Focus a creatively-developed marketing program on specific brand associations.” (Keller, 2003)

Small business must depend on one or two key associations as points of difference (Keller, 2003). The creativity can also influence the future marketing programme for the brand and its possible future extension. This guideline seems quite suitable to Hasta. Four of five interviewees mentioned quality and design as the key associations, and Karlsson (personal communication, 29
April 2011) repeatedly stressed that Hasta wants to find new functions and designs for the products. This is something that just proves the right of focusing a creative marketing program.

**“Use a well-integrated set of brand elements.”** (Keller, 2003)

A well-integrated set of brand elements should be a memorable, simple, credible, deliverable, and recognizable by the customer (Keller, 2003). This means that a high standard of brand elements might need both professional knowledge and relevant experience. Therefore, this guideline strongly relies on whether an SME owns human resource, or affords the external brand-marketing company. According to the answers from Danielsson and Karlsson (personal communication, 29 April 2011), a well-integrated Hasta logo can be designed by their own marketing staff. However, the reliability is low for this empirical analysis due to different human resource structures in SMEs.

**“Design ‘push and pull’ marketing campaigns to attract attention and create demand.”** (Keller, 2003)

Keller (2003) explains the “push and pull” marketing action as the brand-building campaign which emphasizes and convinces the business customer of the strength of a brand and captures end-user imagination and attention. He argues that small business must depend on networking and word of mouth to create strong, favorable, and unique associations. The respondents at Hasta express some different viewpoints, “Our main focus is how to communicate with our retailers, because they hold and sell our products” (Constantakis, personal communication, 29 April 2011). And Danielsson (personal communication, 29 April 2011) indicates “it’s very hard to find a way to reach end-consumers”; she also argues that “push and pull” campaign can be considered if the company can reach the expected outcomes with that cost.

**“Leverage as many secondary associations as possible.”** (Keller, 2003)

Small businesses can built brand equity through linking the brand name with such as existing brand, country name, or other companies that reinforces and improve the general theme of the brand. However, all respondents at Hasta disagree to create new product brand based on existing
brand. They argue that product categories and brand recognition do not support the new product naming strategy in SMEs. On the contrary, most of respondents believe that it is a good idea to associate the brand name “Hasta” to “Sweden”. Two interviewees have reservations regarding employing co-branding strategy for brand extension, for instance, Danielsson (personal communication, 29 April 2011) argues that the precondition is some kind of connections between the two co-branding companies. Keller (2003) mention that co-branding can create more remarkable points of difference for the brand, and generate more sales from additional target markets and channels.

“Brand uses full repertoire of marketing activities to build equity.” (Berthon et al., 2008)

There are five items used to measure this BMP, thereinto brand elements and “push and pull” campaign have been discussed before, the issue of brand manager can not be defined in this case study. Therefore, I only discuss the relationship between marketing program and brand management in SMEs. “It’s a kind of total service you give to the customer, and this is also appropriate for our brand management” (Schörling, personal communication, 29 April). His answer proves that SMEs are able to realize the influence of marketing programs to brand management. “We only sell to other retailers such as small shops and big chain stores, but we don’t own the distribution” (Constantakis, personal communication, 29 April 2011). It seems that main difficulties during branding are from a bad distribution method in Hasta. This distribution method of SMEs can not ensure the control to the final salesperson. The salesperson is not only a critical factor during branding but also in the implementation of pricing. Schörling gives a solution to adapt to the existing distribution channels, “we are training retailers, and then they forward the message to end-consumers”.

5.2 Gap Analysis in Managing Brand Equity

In this study, brand development is all about managing brand equity which involves 6 BMPs and 3 Krake’s branding guidelines. The section 4.5 presents the empirical findings involved with an SME developing the brand strategy. In this section, empirical data will be discussed further for the gap analysis between proposed branding policies and practices.
“Brand delivers benefits customers truly desire.” (Berthon et al., 2008)

This BMP corresponds to the first interview question in part five which is designed to understand how an SME uncovers unmet consumer needs and wants. This is a necessary step to develop brand strategy and grow brand equity. Danielsson is using a famous SNS (social network site) to collect customer experience through checking customers’ comments everyday (personal communication, 29 April).

“Brand stays relevant.” (Berthon et al., 2008)

This BMP must be based on the above one. All four measuring items under this BMP are trying to say one thing that the company’s decisions should be based on the customers’ taste and current market condition. The viewpoint of this BMP is strongly approved by Constantakis (personal communication, 29 April 2011). He argues that brand image should be updated to the market needs all the time.

“Brand is consistent.” (Berthon et al., 2008)

This BMP is interpreted via two aspects: sending consistent messages, and following consumer demand. According to Constantakis (personal communication, 29 April 2011) “creator of trends” is always the goal to Hasta in relation to management of production and pricing, it seems the message of marketing programs is sole and changeless in Hasta. Regarding customer taste mentioned in the last BMP that brand image should be updated to satisfy consumers; meanwhile, Danielsson (personal communication, 29 April 2011) also argues that the company must keep the main brand identities whatever changes within company strategies.

“Brand portfolio and hierarchy make sense.” (Berthon et al., 2008)

This BMP involves four measuring items which largely about how to utilize brand portfolio to serve brand name, product category and market coverage; besides brand hierarchy is whether understandable or not which also belongs to this BMP. As the reasons mentioned before, SMEs
would like to use multi-brand strategy to meet and satisfy different clients in the market. This means brands are usually not associated with each other in an SME, and these different brand names are used to expand distribution channels. “It’s not necessary (to change the branch office name)...it’s more important on the branding to make people recognize that Hasta represents curtain rods & sun screens and Lectus is bed” (Danielsson, personal communication, 29 April 2011). Brand portfolio policy is not popular in an SME according to the Danielsson’s answer.

“Brand managers understand what the brand means to consumers.” (Berthon et al., 2008)

It is about brand managers’ knowledge of customers’ likes and dislikes, the core associations, target customers, and branding guidelines etc. Through analyzing interviewees’ answers, the internal personnel of marketing field have enough awareness to perform this policy within Hasta.

“Brand is given proper support and it is sustained over the long run.” (Berthon et al., 2008)

This BMP aims at reinforcing brands over time. Its contents involve three aspects: develop a good understanding of the successes and failures of our brand’s marketing program before it is changed; provide the brands with sufficient research and development support; resist the temptation to cut back marketing support for the brand in reaction to a downturn in the market or a slump in sales (Berthon et al., 2008). This BMP requires professional branding knowledge, which does not come within the scope of most SMEs’ concerns. Thus I decided to discard this BMP at the beginning of empirical study. Although my personal decision impacts the reliability of this study, this decision will lead to a part of my future study.

“Entrepreneurs should be consistent in their policy and activities.” (Krake, 2005)

This Krake’s guideline is similar to the BMP “brand is consistent”, only difference is that Krake (2005) stresses the role of the entrepreneur in an SME by saying that it is only when entrepreneurs can no longer see the message because they have worked with it so long, so often and so intensively, that brand meaning begins to be accepted by the target audience. In practice, Schörling (CEO of Hasta Group) supports the argument about consistency when pointing out that
the core brand identities must be held when updating branding policies (personal communication, 29 April 2011).

“Link the brand to the character of the entrepreneur.” (Krake, 2005)

Krake (2005) clarifies that the entrepreneur is the source of inspiration and organization within the company, and he/she should act as the messenger of the brand image. Constantakis (personal communication, 29 April 2011) argues that the entrepreneur could be a part of storytelling to fill up the brand image. The character of the entrepreneur is appropriate for any company no matter how large or small it is (Krake, 2005).

“Develop a passion for the brand within the company.” (Krake, 2005)

Krake (2005) describes this passion that the brand meaning must be communicated within the company, therefore, the whole organization should be full of a passion for the brand in everything it does. Hasta has according to Mutaniemi (personal communication, 29 April 2011) some training activities to motivate the staff to be interested in branding matters.

5.3 The Same and Different Findings

Through the analysis of the empirical findings, the following two guidelines “design ‘push and pull’ marketing campaigns to attract attention and create demand” and “leverage as many secondary associations as possible” are not accepted by the respondents. These findings are the same with previous Krake’s decision (see Section 2.6). As Krake (2005) himself remarks, the contents of these two guidelines do not come within the scope of most SMEs’ concerns.

Several of my findings are different with earlier researchers’ viewpoints, which involve these three branding policies “concentrate on building one or two strong brands”, “brand portfolio and hierarchy make sense”, and “brand is given proper support and it is sustained over the long run”. The common point of these policies being negated which is because branding strategy much rests with the SMEs’ background and practical marketing strategy.
6 CONCLUSION

The final chapter of my thesis summarizes the conclusions concerning the research questions. On the basis of these conclusions, I give a discussion of my propositions as a support for the final model of brand management in SMEs. After that, I take one step back and consider the meaning of my conclusions. Finally, limitations of the study and future research are discussed.

6.1 Conclusions

Two research questions are presented at the beginning of this study. For answer the first one, I need to find some theoretical branding policies for the creation of a strong SME brand. Firstly, I introduce the Keller’s (2003) CBBE concept for building a conceptual model of brand management which based on how to build and manage CBBE. After that I find seven BMPs (Berthon et al., 2008) which have been emphasized by high-performing SMEs in the brand management activities, five Keller’s (2003) branding guidelines for small businesses, and three new Krake’s (2005) branding guidelines for SMEs. Finally, I manage the conceptual model by integrating these proposed SME branding policies into the process of building and managing CBBE. One BMP and five Keller’s branding guidelines are classified into building brand equity; on the other hand, six BMPs and three Krake’s branding guidelines are about managing brand equity. Conclusion one: the “proposed model of brand management in SMEs” can be found in Figure 2.2, thereby the effective branding strategies are found and half of the purpose has been arrived.

The empirical study is designed to solve the second research question. For answer the question, I need to test above proposed branding policies in practices. I choose a qualitative case study as my research approach, and design a semi-structured interviewing to obtain the empirical data. After that I contrast the empirical data with the description of the proposed branding policies one by one in the chapter 5. At last, I give the conclusions below regarding which branding policies should be discarded from 7 BMPs and 8 branding guidelines (see Section 2.7) in terms of the empirical analysis.
• Concentrate on building one or two strong brands
SMEs usually employ several independent product brands to increase sales and market share. Furthermore, some other factors also impact the decision of choosing the brand name, such as company history, brand awareness and marketing strategy. Thus, this branding policy is very difficult for SMEs to implement in practices.

• Design “push and pull” marketing campaigns to attract attention and create demand
Many SMEs only face their retailers and wholesalers, usually these SMEs do not directly approach to end-users but through their distributors. For those SMEs, most of marketing campaigns and advertising are designed to attract retailers, thus many SMEs do not have resource and experience to carry out such campaigns.

• Leverage as many secondary associations as possible
Through the case study, I find product categories and brand recognition which do not support for leveraging secondary brand knowledge to build brand equity in SMEs. Besides, co-branding is unacknowledged by most interviewees, and as I know only a few SMEs engage in co-branding according to existing cases. Thus, this policy is not practical to most of SMEs.

• Brand portfolio and hierarchy make sense
It is the similar reason with discarding “concentrate on building one or two strong brands”. Brands are usually not associated with each other in SMEs, because independent brand lines are used for expanding distribution channels.

• Brand is given proper support and it is sustained over the long run
This BMP requires professional branding knowledge, which does not come within the scope of most SMEs’ concerns. Thus I decided to discard this BMP at the beginning of empirical study.

The first proposition explores the relationship that exists between brand knowledge structure and brand marketing programs in SMEs. The proposition reveals that the decisions of brand marketing programs in SMEs are also based on desired brand knowledge structures. In terms of previous empirical data, Hasta wants to associate with “quality” “design” and “creator of trends” etc; and Hasta aims at the consumers with upper education and high income. In addition, I find that above brand knowledge is directing the marketing programs in Hasta, for instance, the brand logo of Hasta is designed to show “creator of trends”; all products are manufactured by the standard of high quality; higher pricing aims to high income consumers; “Sweden” is linked to
Hasta as secondary association, because “Sweden” represents high quality and nice design. Thus, I conclude that the first proposition is acceptable.

The second proposition explores the relationship between the branding policies of building brand equity and practical situation in SMEs. The proposition reveals that some brand marketing programs can not be effectively implemented due to the direction of management in SMEs. According to previous conclusions, I find that the decisions of choosing brand name, designing marketing campaigns, and leveraging secondary associations that are affected by some lacks of SMEs, such as brand awareness, distribution channel, and brand recognition. Thus, the second proposition is proved.

The third proposition explores the relationship between the branding policies of managing brand equity and the practical marketing strategies of SMEs. The proposition reveals that it is difficult to balance branding policies and the marketing strategies in SMEs. Based on previous conclusions, I find that the management of brand portfolio is strongly affected by the multi-brand strategy, which is sales-oriented and used to expand distribution channels. The problem mentioned in the third proposition that is verified existence, thus the third proposition is proved.

Eventually, the study comes to my final model of brand management in SMEs. The final model is from the updated and simplified flow of the proposed model (see Figure 2.2). **Conclusion two:** the final model (see Figure 6.1) can help SMEs to understand the steps of building and managing brand equity as well as the executable branding policies. Thus, I find the practical marketing strategies for SMEs to build and manage their brands, and the whole purpose has been achieved after all.
6.2 Implications

The results of investigation indicate that there are indeed many limitation factors in practices when SMEs implement branding policies. The results distinctly show that during branding SMEs run up against many problems which are not expected before this study. However, SMEs still have some effective approaches to obtain brand equity. It is also evident from the results that most of difficulties during branding are from the process of building brand equity in SMEs. This study may be useful to those inexperienced or primary entrepreneurs in SMEs. By understanding the process of brand management and relevant branding policies, they can start branding with the scientific steps and also avoid resources waste in practices on some undesirable branding methods. In general, brand management in SMEs includes some main matters: understanding customers’ needs and brand perceptions, creating relevant and valued brands, designing creatively-developed marketing program, supporting the brand consistently over time (Krake, 2005). My final model of brand management in SMEs provides some executable branding policies to respond above matters. The process of empirical study also reveals which branding policies should be avoided under some circumstances.
6.3 Trustworthiness and Future Research

The empirical finding of this study is limited due to a few aspects. The single case study is all about one company in Sweden, therefore I can’t say the conclusions of this research are universal even though my interviewees are from two different branch offices. The qualitative interviewing is handled with English which is neither their mother language nor mine, which might lead to a deviation from the understanding. As mentioned in the earlier analysis, some empirical findings are not representative due to different resources and special organization structure.

The study of brand management in SMEs is still in the low-level phase, and there are very few high-quality research and theories available on this subject. In the proposed model, the third step “measure and interpret brand performance” of strategic brand management is not in research scope. It can be argued, this study provides a good view for future research regarding how to determine an objective way of measuring brand equity within SMEs. Furthermore, this study is lack of depth on managing SME brand over the long run and different countries, additional studies in different geographical areas would be relevant to see whether the attitude towards branding differ in different cultures. So, future study may involve both measuring brand equity and developing brand equity over time and geographic boundaries.
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Schörling, S. (29 April 2011) Hasta AB – Face to face interview (in-depth)
APPENDIX

Interview Questions

Please introduce your position in company, number of years working on current field, and your duties for daily work.

I. Brand Knowledge
1. How do you see the meaning of brand Hasta?

2. What customer perceptions do you want Hasta to associate with?

3. Comparing with other brands, what kind of consumers prefer the brand image which you just described?

II. Brand Elements
1. What is the reason of using different brand names within Hasta Group rather than holding the unified brand name “Hasta”?

2. Did Hasta employ any professional organization for design of the brand logo?
   – If yes, then “Why do you choose ‘creator of trends’ as the main slogan?”
   – If no, then “What is the affect of inserting a slogan into the brand logo?”

III. Marketing Activities
1. Are there any limitations when you plan to build the brand “Hasta”?
   – If yes, then “What limitations do you notice?”
2. Do you think whether the affects of product quality, pricing and distribution method which totally fit the brand image of Hasta?
   − If yes, then “Please explain how Hasta’s product quality, pricing and distribution method contributes to its brand image?”
   − If no, then “How will you develop them?”

3. Did you ever hold a kind of campaign which convinces distributor of the strength of Hasta and captures final customers’ attention?
   − If yes, then “What difficulties exist in the course of implementation?”
   − If not, then “Are you willing to spend budget on this kind of campaign?”

IV. Secondary Brand Knowledge
1. Do you agree to create new product brand on the basis of existing brand?
   − If no, then “Please simply explain why?”

2. Do you agree to register the brand name as “Hasta – Sweden” in other geographic areas?
   − If no, then “Please simply explain why?”

3. Do you agree to develop co-branding for brand extension?
   − If no, then “Please simply explain why?”

V. Brand Development
1. Do you have a plan to set up a corporate “Forum, Space or SNS” on the Internet to understand customers’ actual desire based on collected customers’ comments?
   − If no, then “how do you uncover unmet consumer needs and wants?”

2. Do you think brand image should be updated to follow customers’ tastes and market conditions?
   − If yes, then “In what aspects do you think the brand value can be improved?”
   − If no, then “Please simply explain why?”
3. Do you think the current brand structure is able to clearly capture the potential branding relationships among the different corporation functions inside Hasta Group?
   – If yes, then “Please simply explain why?”
   – If no, then “How do you want to develop the brand portfolio for Hasta?”

4. Based on your knowledge, what is brand manager supposed to know about brand development?

5. Do you agree to associate the brand image with the character of the entrepreneur?
   – If yes, then “What benefits could you get from this branding policy?”
   – If no, then “What do you think potential problems are in this policy?”

6. Do you think it is feasible to motivate all the staff for building corporate brand?
   – If yes, then “What kind of internal program should be designed for popularizing the branding knowledge?”
   – If no, then “What do you think the biggest disadvantages are in the implementation?”