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BRAND MANAGEMENT OF LICENSED INNOVATION X

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LISENSOIDUN INNOVAATION X BRÄNDINHALLINTA

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Eurooppalainen start-up -yritys on patentoinut innovatiivisen pakkauskonseptin eräälle elintarvikkeelle. Innovaation tuotanto sekä tuotteistaminen tullaan lisensoimaan kansainvälisesti useille eri toimijoille. Tilaajayritys on täten kiinnostunut kartoituksesta mitä erilaisia mahdollisuuksia sekä vaatimuksia yhtäaikaiset strategiset lisensointi kumppanuudet toisivat mukanaan innovaation brändinhallintaan teoriassa ja käytännössä.

Opinnäytetyön tarkoituksena oli arvioida innovaation brändin nykyinen olemus ja tarjota kattavia kehitysehdotuksia perustuen valittuihin teorioihin yhteisbrändäyksestä ja komponenttiyhteisbrändäyksestä. Kyseiset bränditeoriat valittiin, koska innovaatio ei ole niinkään itsenäinen tuote, vaan täydentävä konsepti ja täten riippuvainen lisensoijien omista strategioista ja toimintamalleista. Yhteisbrändäyksen teorioita tuettiin tutkimalla lisensointia, suhdeverkoston hallintaa sekä innovaatioiden johtamista.

Opinnäytetyön empiirinen osuus toteutettiin pitkäaikaisen henkilökohtaisen havainnoinnin avulla, sekä haastatellen johtoryhmän jäseniä että toista työntekijää brändinhallinnan ja operaatioiden osalta, hyödyntäen puolistrukturoituja teemahaastatteluita. Koska tilaajayritys on vasta aloittamassa tuotelanseerausta, yritysasiakkaiden ja kuluttajien mielipiteiden selvittäminen ei ollut vielä ajankohtaista. Yrityksen strategiaan liittyvistä syistä yrityksen ja innovaation nimi haluttiin pitää salaisena.

Tutkimuksen tuloksena todettiin, että valitut bränditeoriat ovat käytännössä toisiaan täydentäviä ja niiden edut ovat riippuvaisia tilaajayrityksen kulloinkin vallitsevasta tilanteesta. Brändistrategian valintaa tärkeämmäksi muuttujaksi ilmeni yrityksen ylimalkainen päätös siitä, kuinka laajasti brändiä halutaan ja voidaan lähteä kehittämään ja johtamaan, niin itsenäisesti kuin yhteistyössä. Käytännön suositukset tilaajayritykselle liittyvät yhteisbrändin valintaan nykyhetkeä ajatellen, potentiaalisten yhteisbrändien arviointikeinoon, tuotebrändin erillistämisen etuihin sekä kansainvälisen asiakasorientoitumisen lisäämiseen.

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European start-up company has patented a packaging innovation concept for a certain the food product. The manufacturing and productization of the innovation will be licensed internationally for several participants. The Case Company is therefore interested to know what kind of opportunities and requirements potentially simultaneous strategic partnerships with licensees would mean for the brand of the innovation in theory and practice.

The purpose of this thesis was to evaluate the current essence of the product brand of the particular innovation and provide comprehensive development recommendations according to the selected theories of co-branding and ingredient co-branding. The two brand theories were chosen in consequence of the fact that the innovation is not a single entity but rather a complementary concept and is therefore dependent on the strategies and operations of the licensees. The co-branding theories were supported by background information concerning licensing, stakeholder networking and innovation management.

The empirical research was conducted by the means of long-term personal observation and semi-structured theme interviews of the executives and an employee in relation to brand management and operations. Since the subscriber company is just beginning the product launch, the opinions of professional clients' and consumers' were not yet topical. Because of the strategic reasons, the name of the Case Company and the innovation X wanted to be classified.

The results of research were that both branding theories are complementary in practice and their benefits are subject to the prevailing situation of the Case Company. More substantive factor than the selection of the strategy was decision on how large extent the Case Company is willing and able to participate into development and management of the brand independently and in collaboration. Practical recommendations for the Case Company were related to co-brand selection for the current moment, the evaluation method of potential co-brands, the benefits of isolating the product brand and improving international customer orientation.

CONTENTS

APPENDICES

1 INTRODUCTION

A patented licensing innovation related to the packaging concept of European start-up company is on stage of entering into consumer market. The Case Company has invented an extraordinary package to license forward. So far it has implemented a traditional business-to-business marketing approach to reach licensing manufacturers, business customers, distributors and resellers, and therefore has built their brand to attract everyone. A transition from technological invention into commercial innovation aroused an idea to target the Case Company's product branding efforts by focusing on specific audiences one by one, including consumers as well.

In branding a traditional business-to-business innovation for the specific members of supply chain, including consumers is rather an institution than a new trend. During the past decades, several companies have proved the efficiency of the *business-to-business-to-consumer* branding approach, often titled as *ingredient co-branding* concept. DuPont's Teflon, the surface material of cooking pans and Intel's "Intel Inside" -branded microprocessors are probably the most globally recognized ingredient co-brands. (Gassmann, Frankenberger & Csik 2014, 184-185; Kotler & Pfoertsch 2010, 59-60, 156-157.)

In 2015, while the author was working for the Case Company as an intern, before the current employment, the brand perception of forthcoming innovation X seemed very confusing. Shortly the author came into a conclusion that if an employee of small start-up enterprise is unable to offer an impressive and clear description of the firm's main innovation's brand, it definitely requires an immediate in-depth analysis and development recommendations. To form comprehensive results, it was essential to gather the management team's personal brand perceptions. Secondly, it was necessary to orientate thoroughly to the business model of licensing, including networking and branding principles since the fact is that customers are likely to remain more loyal to brands they recognize (Gassmann, Frankenberger & Csik 2014, 203).

2 PURPOSE, OBJECTIVES AND CASE COMPANY

2.1 Purpose

Case Company’s licensing innovation is on stage of entering into the consumer market in the near future. Therefore the company wanted to explore and study different branding methods. The purpose of the project was to analyze the current brand of the main innovation, and provide development recommendations by utilizing the theories of co-branding and ingredient co-branding. The state of the current brand was determined by means of personal observation and interviews. Recommendations were constructed through comparison between the selected alternative theories of brands with the innovation’s current brand. In addition, the development recommendations hold an aspiration to pay attention especially into branding methods previously unfamiliar to Case Company.

2.2 Research objectives

The objective of the thesis was first to provide a coherent analysis of the current brand of a particular innovation and its branding methods. After that the analysis was compared with novel development recommendations. In order to achieve this objective, the following questions required to be answered:

- What is the main innovation and its current brand of the Case Company?
- What is Co-Branding and is it suitable for the Case Company?
- What is Ingredient Co-Branding and is it suitable for the Case Company?
- What recommendations for brand development can be provided?

2.3 Limitations

At the beginning of research in 2015, the author was an intern in the Case Company and in second quarter of 2016 the author became an employee. Thus a close relation has remained during the research and writing process. Besides, the relation was considered inevitable element to provide comprehensive internal analysis for the behalf of objectivity.

It has to keep in mind that brands are not permanent features, but rather evolving and changing naturally all the time. The product brand of innovation X can particularly change in consequence of the becoming market entry process, simultaneously with the thesis. Study had to be conducted in fast pace to avoid containing outdated information when published. Therefore, the timetable set certain limitations to the scope and thoroughness of the study.

The research did not include interviews of B2B customers nor consumers for confidentiality reasons. Interviews of business customers could have been prescriptive and have influence into the creation process of innovation X's brand. Consumer interviews were not conducted since interviewees should have represented the global markets to be relevant. The thesis does either not provide a brand strategy plan, only recommendations related to selected theories.

2.4 Case Company

The Case Company is a European licensor of consumer packaging concept technologies. It has been founded in 2010 and is gradually shifting from start-up to the growth phase. The company has a couple of persons working in the roles of employees and several consultants but is run by the founder of the business. Features of the company are typical for any global start-up: a low hierarchy, fast decision-making, seamless teamwork and great abilities to network.

The Case Company has patented a new kind of innovative packaging concept for certain food. In this thesis, the packaging concept is being referred as "innovation X" for confidentiality reasons regarding to market entry. The packaging is manufactured and distributed by separate international licensees, and it is not dependent on any regions. In addition, the company has a plan for the global distribution of the innovation X and its international relations are managed properly.

The current product brand strategy is implemented with the traditional business-to-business approach addressed for the licensee manufacturers, business customers and distributors, which have been mostly efficient and provided good results. However, the company's product is entering into the consumer market in the near future, which provides entirely new opportunities for the brand and marketing management.

Since the innovation X is related to packaging, it is appropriate to specify the difference between a package of a branded product and branding a packaging concept. Concerning the foremost and according to the traditional definition of a product packaging, its function is to act as an instrument of recognition, consisting of designed appearance and a distinguishable trademark. Recognizable patterns on cans of Coca-Cola and Red Bull are for instance the substantive features of their both brands. (Kotler, Keller, Ang, Leong & Tan 2013, 438-439; Shippey 2009, 15.) The latter alternative, branding the specific packaging design and technology is closer to the business model of the Case Company, as it licenses the packaging innovation for the B2B customers.

3 RESEARCH APPROACH, METHODOLOGY AND IMPLEMENTATION

3.1 Qualitative research methods

Academic research is divided traditionally between two schools into quantitative and qualitative methodologies. Regardless of prevailing conceptions, they do not represent the opposites of each other's but rather formulate a coherent continuum. Both methodologies act as complementary and are used in conjunction. Quantitative methodology emphasizes measurable numeric data whereas in a qualitative method the focus is on the meanings of phenomenon for those involved. For instance, quantitative methodology suits measuring how many of the people are willing to purchase a new product, which is somewhat more expensive but also more environmental friendly, where qualitative research would pursue reasons why people would or would not purchase the new ecological substitute. (Hirsjärvi, Remes & Sajavaara 2010, 135-137; Merriam 2009, 5.)

A universal classification for qualitative research methodologies has not yet agreed. Merriam divides qualitative research into seven types most sharing the essence of interpretation: Basic qualitative study, critical qualitative research, narrative analysis, phenomenology, ethnography, qualitative case study and grounded theory. *The basic qualitative study* is probably the most common type while including selected characters from other types according to needs of study. *Critical qualitative research* tries to challenge the prevailing interpretation through a skeptical approach. Studies of social systems and socioeconomics from last decades of are decent examples. *Narrative analysis* focuses on stories, such as news, company foundation stories on their websites or rumors in workplace. The historical research of beliefs is well known for the narrative analysis. *Phenomenological study* seeks the underlying structures of the certain phenomenon and is therefore controversial with other qualitative methodologies. It is however established methodology of studying especially psychological experiences of natural human emotions such as why we feel love or happiness. *Ethnography* is interested in cultural factors in the study of interaction and communication between individual subjects. *The qualitative case study* is a practical inquiry involving contemporary phenomenon together with real-life context in order to dispel the boundary between the perceived phenomenon and in-depth analysis. In other words, qualitative case study is used to describe and further understand the theoretical findings with concrete examples including data collection and analysis. “Typical for case study is to gather information with multiple methods such as observation, interviews and exploring documents” – Hirsjärvi, Remes and Sajavaara. Lastly, a study of *grounded theory* strives to form a fundamental theory of a certain far researched phenomenon. (Flick 2010; Hirsjärvi, Remes & Sajavaara 2010, 133; Merriam 2009, 22-40; 469; Yin 2009, 54.)

3.2 Applied research methods and implementation of this study

According to generalization of qualitative methodology, its tendency is to discover and reveal prevailing facts, which is the one of the reasons to apply it on analysis of brand management (Hirsjärvi, Remes & Sajavaara 2010, 161). Besides, the brand management and its development are the key long-term duties of executive group, from which especially in the Case Company, the quantitative sampling would have consisted of only a few research subjects (Kotler & Pfoertsch 2006, 5). Qualitative methodology instead suits well for purposes of analyzing a brand as the exploited materials consist of personal perceptions with versatile interpretations (Hirsjärvi, Remes & Sajavaara 2010, 164).

Applied research strategy was the qualitative case study as the provided results are detailed information describing a certain matter, in this case the essence of innovation X's brand. The in-depth analysis of branding approaches in licensing business is comprehended with both help and for the Case Company. (Hirsjärvi, Remes & Sajavaara 2010, 134-135.) In qualitative case study, the observation means an inspection of the people and issues involved in the event. To form reliable evidences in observation, in addition to participant-observation, which means researcher's personal interpretation; the study includes interviews in order to avoid contamination due personal opinions. Strength of case study increases in proportion to the amount of sources exploited. (Yin 2009, 44, 219.) Anecdotal observation and semi-structured theme interviews were used as main sources in the empirical analysis, see Appendix 2. Theme interview suits well for qualitative research purposes since it provides opportunity to bring up versatile responses. Semi-structured theme interviews were considered essential, as those could be conducted with decent similarity regardless to alternative execution methods. (Hirsjärvi, Remes & Sajavaara 2010, 205, 208.) Interviews were conducted mostly face-to-face, yet an email and telephone discussions were used for revision of the answers and for further analysis. The themes and questions of interviews are represented on Appendix 2. Moreover, a structured form would have been prescriptive and ignore possible unpredictable results, making it an inappropriate alternative (Hirsjärvi & Hurme 2009, 45).

Participants of interviews were selected from the executive group and board of directors regarding to their close relation with the Case Company's brand management. In addition, one employee was also interviewed in order to provide another angle from operative perspective. Thus, the chief executive officer, an executive board member, the manager of intellectual property rights and operative employee were chosen, in which the CEO represented also the owner's point of view. The small number of interviewees was considered suitable since the Case Company is a small start-up company.

Information gathering started with personal observation while participating in Case Company's inclusive operations in the roles of an intern and an employee. As mentioned earlier, the author remained in close relation with the Case Company during the whole observation process, and access to the most recent information was available and utilized. Observation formed a solid foundation for conducting interviews, too. Attention towards the product brand and branding increased when the topic of research was settled. Besides, the position within marketing and as executive assistant in Case Company provided comprehensive opportunity to familiarize with the business and the brand.

Secondary information concerning brand management, licensing and business network were gathered from professional literature and publications, including articles, research papers and Internet sources. Publications of the Case Company, and relevant market and industry reports were used slightly when available, but were deliberately left into background material.

Outcomes of interviews were first analyzed individually. After that interviews were compared with each other in order to form an idea for a concept of the Case Company's mutual brand perception of the innovation X. This idea for a concept was then merged with the author's personal observation of the brand. Intention was to achieve a final comparison based on the theoretical knowledge, and form the concept of brand perception. To enhance the correspondence between observation and the interview results, the topics of theme interview was kept in mind while personal observation.

3.3 Reliability and validity

Reliability and validity are traditional evaluation concepts derived from quantitative research. Their purpose is to measure how well the repeated research would achieve the same conclusion and how appropriate the chosen methodology is. (Hirsjärvi & Hurme 2009, 186; Kananen 2015, 343.) Qualitative research can be divided more precise by five criteria of reliability and validity, which are credibility, transferability, dependability, conformability and saturation (Kananen 2015, 352).

Credibility

Credibility measures how well the research describes the phenomenon, in this case current state of innovation X’s brand. It has been taken into account that brands are always perceptions and dependent on interpretations. The comparison of interviews and personal observation are done to increase credibility. (Kananen 2015, 353.) Well-prepared questions increase the credibility of interview. In semi-structured theme interview it is essential to create questions with opportunity to provide advanced responses as well as additional supplementary questions. (Hirsjärvi & Hurme 2009, 184.)

Transferability

Transferability in turn means the potential to utilize the result to describe similar phenomena in other situations. A detailed explanation of the fundamentals enhances the transferability, but because of the classified topic, the profound description of foundations is considered secondary objective. (Kananen 2015, 353.) However, it is not precluded that recommendations for B2B branding could not be popularized.

Dependability

Third criterion, dependability, is rather similar with credibility and estimates the researcher’s personal influence to result, and how well the objective approach was obtained (Kananen 2015, 353). Only another employee or member of executive group could reach similar dependability in this case study, and thus ultimate objective approach was not intension. The close relationship between the author and the Case Company has to be taken into consideration in the evaluation of objectiveness. However, it also has to take into account that brand management is the core operations of executive group as pointed out in Chapter 3.2, and therefore able to provide reliable internal brand analysis, the researcher must have full access to vital information.

Conformability

Conformability is likely the simplest criterion for validating a research result. The informant will revise the results, and ensure that they are correct. However, if the informant does not agree and wants to change his or her opinion, the research becomes distorted. (Kananen 2015, 354.) The author's own solution is in case of unconfirmed respond is to analyze both answers with reasoning since the personal brand perceptions may vary for natural reasons.

Saturation

The last criterion, the saturation in qualitative methodology measures the total amount of divergent conclusions, such as how many interviewees must respond to achieve congruent opinion (Kananen 2015, 355). As previously stated in Chapter 3.2, the sample group represents the whole start-up company well.

The decision to leave market and industry reports into background material was the consequence of protecting the identity of the Case Company. However, the excluded background material was reflected in author's opinions during the observation process. In addition, the author has a minor participative role when preparing press releases as well as company's internal reports. Besides, because of the relatively young age and size of the Case Company, the internal in hand material was very limited. This thesis will be amongst the first comprehensive analyzes about the brand of the innovation X.

4 LICENSED INNOVATION

4.1 Commercial invention

Even though the innovation entrepreneurism is raising trend of the 21st century, the earliest definition of innovation is rather old. An Austrian economist and founder of modern growth theory, Joseph Schumpeter was first to identify in early 1930's the new technology as the source of economic growth. He identified the concept of "disruptive innovation" as a part of the destructive creation of current businesses in the cycle of economic progress and growth. In other words, disruptive innovation is a potential consequence of discontinuous innovation process leading to radical changes in market. It is an opposite concept for the traditional incremental innovation process associated with anticipated development. In the 1950's Schumpeter's student Robert Solow, a Nobel Prize winner of economics advanced his professor's theories and later on Paul Romer has developed the neo-Schumpeterian economic growth theory, by further adding a competition approach to economic growth and explaining that increased profits are results of businesses creating new products and developing existing ones. (Bessant 2015, 2, 4-5; Courvisanos & Mackenzie 2013, 940; Parkin 2012, 643; Trott 2012, 7.)

The concept of innovation has advanced over time as several patterns have been identified. One of the latest and broadest classifications is a general polarization by the source of innovation to internal and external origins. For instance, whether the innovation emerges inside the company or from the end-user or partner, or whether it is created by established business or by the newcomer of the industry. The connective key factor for innovations with external origins is lack of obsolete habits in the industry and that is why especially the disruptive innovation by newcomer has ultimate advantage against well-established organizations over and over again. (Bessant 2015, 2; Website of Innovation-Management 2016.)

Alternative yet major classification for the concept of an innovation is the "technology versus business model" approach. Technology innovations are unique products or services created by certain institution or a person, which disrupts the current state of the market. Technological breakthroughs in material science are great case examples. On the contrary, business model innovation focuses on market expansion or to increase market share with the utilization of an existing product or service by changing the core business logic. The entry of low-cost airlines into aviation business simultaneously created new markets as well as challenged the established competitors through the innovative business model without radical improvements in an actual product or service. (Bessant 2015, 2; Website of Innovation-Management 2016.)

Anthony, Johnson, Sinfield and Altman provide an alternative approach for Schumpeter's destructive creation of new innovations. They highlight a market segment of "nonconsumers" who are not satisfied with current merchandises and refuse to acquire them, or desperately attempt to fulfill their specific demand with existing selection of solutions. This approach of satisfying nonconsumers focuses on creative construction and market expansion, and therefore may turn out efficient meanwhile the current market leader is not immediately challenged by the possible disruption. (Anthony, Johnson, Sinfield & Altman 2008, 45-46.) Another substantial approach to for destructive creation is identifying the "overshot customers" or "technology overshoot" in prevailing situation and satisfying the more modest demand. Overshot customers are satisfied in general since they are used to existing merchandises, but are still annoyed by the unnecessary features. A new innovation with precise types and amount of features sold at lower price will find a place in overshot customers demand. (Anthony, Johnson, Sinfield & Altman 2008, 65-67; Bessant 2015, 5.)

4.2 Trademark and license agreement

A trademark is the basic requirement for a license. The owner of the trademark, a licensor, grants the rights of use its trademark for the usufructuary, also known as a licensee, in order to receive compensation, such as royalties in forms of fee, an estate or other property for instance. (Stim 2004, 20; Tuominen & Tanskanen 2007, 6, 8, 13.) However, a trademark alone does not provide protection for technological innovation, hence other intellectual property rights are required such as copyright, patent or copyright of design. Manufacturing processes are protected with patents while packaging is protected through copyrights and copyrights of designs. It is common that a licensing agreement in addition to involved rights defines the products or services the rights concern as well. (Hollensen 2014, 371; Kotler, Keller, Ang, Leong & Tan 2013, 298; Tuominen & Tanskanen 2007, 12.)

There are several institutions regarding to the payment of royalties. Common alternatives are periodic regular fixed payment, or payment per sold or manufactured quantity. Minimum lump sum royalty per certain period is an additional proviso to guarantee and maintain licensors revenue streams. The minimum royalty yet encourages the licensee to activity and to utilize the acquired rights. Besides, at the beginning of a licensing term, in many agreements the licensee is exacted to transact a single advance payment. The methods of payment are dependent on the individual occurrences and similarities of the business culture and habits prevailing among the participants. In cross-cultural licensing agreements with a divergent attitude against the compliance of rights, e.g. the advance payment is considered essential. (Apke 1998, 9-10; Hollensen 2014, 372; Tuominen & Tanskanen 2007, 9, 14.)

The typical scopes of license agreement are exclusive, nonexclusive or sole right in the certain market. Exclusive rights grants the licensee a monopolistic market position, as opposed to nonexclusive agreement, which enables the licensor to operate and provide the license for unlimited licensees in the market. The sole right is similar with exclusive license, except the licensor keeps rights to perform in the same market as well. (Stim 2004, 138; Tuominen & Tanskanen 2007, 18.) A common limitation method in the scope of agreement is geographical. All mentioned agreement scopes could be agreed to comprise to the specific continent, a country, a province or other named area. These regional specifications are typical compromises, since they often please both parties as the licensor is not dependent on single a licensee and the licensee receives a clear market area to operate. (Tuominen & Tanskanen 2007, 13.)

4.3 Benefits and challenges

Companies have various reasons to begin licensing but it fits best for companies with specific knowledge and technological advantages. In some cases it is the most efficient or even the only option to receive substantial benefit from a trademark. Licensing may reveal unexpected positive market opportunities as the same invention can serve multiple purposes. Inventions related to floating can be for instance licensed for boat industry as well as for the manufacturers of toy boats. In turn, a company with very efficient R&D facility can benefit from licensing those inventions that could not fit into their current core operations. Internationalization is probably the most typical reason to conclude a licensing agreement since the local licensee candidate in abroad is used to prevailing market conditions and is familiar with the important adaptation requirements. (Gassmann, Frankenberger & Csik 2014, 205-206; Hollensen 2014, 371; Stim 2004, 137; Tuominen & Tanskanen 2007, 9.) Besides, a company can manage to avoid local government’s negative regulations towards direct foreign activities by an establishment of licensing agreement with the local operator. After all, especially from a perspective of a small company, but concerning larger organizations as well, the licensing provides an opportunity to concentrate entirely on the product or service development by outsourcing the manufacturing or downstream operations. (Apke 1998, 6; Hollensen 2014, 372; Išoraitė 2009, 42.)

It is obvious, that licensing bear's risks. Disclosure of the licensed intellectual property to third parties outside of contracts with or without an intention is potential and may lead to piracy for instance. After the statutory period of licensing agreement, the licensee may become a competitor and an independent substitute provider, taking advantage of received knowledge. Other relevant risks of licensees are self-indulgent behavior, incapability to fulfill agreement stipulations and ethical divergence. The most effective action to reduce licensing risks is properly drafted agreement, covering during and post periods of the licensing term. Just as in any kind of establishment of co-operation, a careful selection process of licensee candidates decreases the odds of misunderstandings and failures. (Apke 1998, 5-6; Stim 2004, 25.) If manageable, the licensor should claim rights to inspect the books and records of the licensee to ensure integrity. Asking advises from home and host country consultants and licensing experts is yet a very considerable option of risk avoidance. (Apke 1998, 10: Tuominen & Tanskanen 2007, 12-13, 19.)

4.4 The role of business network for licensed innovation

Professional network is a social capital as education is intellectual capital. A proficient acquisition and utilization of the social capital will lead to intellectual and financial capital. Value of the social capital can be measured by the quality, diversity and quantity of connections, in that exact order of importance, since the amount of connections is trivial if they entail poor benefits. As well the non-divergent network may turn out to be efficient, but yet result to inadequate achievements. A good method of preserving a diverse business network is to pursue positions between important interest groups. (Kramer 2012, 42-45.) These interest groups may represent the whole value chain from manufacturer to distributor to business customers or even until the final consumer. The conception of positioning between the groups is especially important since any company can never be in the center of any network, including their own. A company-centered view will inevitably misrepresent the overall appearance of the essence, advantages and aspirations of surrounding companies. (Ford, Gadde, Håkansson & Snehota 2011, 178-184.)

Especially in case of technology related start-up company with new kind of complex product, convincing the first customer is the most critical step of entering into market. Ruokolainen defines the market entry period of a start-up company as “reference business” in which the acquisition of the first ‘customer reference’ plays determinant role. Social capital is found the greatest resources when obtaining the reference customer. If the reference customer is convinced and buys the product, it is the most essential to propose a statement of validity to decrease the perceived risk by the next potential customers. However, it is common that the start-up is required to participate in the costs of implementation and adaptation process with the reference customer. Alternatively, the reference customer might be interested in intellectual property rights such as an exclusive licensing agreement as compensation, which offers different opportunities for the start-up company. (Parantainen 2005, 214; Ruokolainen 2005, 6-11.)

The precise identification of stakeholders in start-up licensing business is complex. The very basic assumption is that customers acquire and pay for products and business partners can instead manufacture, develop, distribute etc. them, but for a licensing company the line between the customer and partner is indistinct. The alternatives of strategic alliances provide more practical categorization of business stakeholders. The main types of strategic alliances are the joint venture, outsourcing, affiliate marketing, technology licensing, product licensing, franchising, R&D alliances, distributors and distribution relationships. Occasionally the contract manufacturing is added at the end of list as an appropriate alternative, but since it is not an actual alliance with strategic purposes but rather an acquired service, it will be ignored. Every type has its own characteristics and diverges from each other more or less. In case of licensing company, the technology licensing and product licensing are literally the most substantial means to network. (Hollensen 2014, 369; Išoraitė 2009, 43.)

Technology licensing agreement grants the licensee the rights into the trademark, IPR and trade secrets. It is considered a low-cost method of the foreign market entry process, but exposes the competitive advantages such as patents to outside exploitation. Product licensing has similarities with technology licensing; aside that licensee manufactures and distributes the product but has no access into crucial information and knowledge wielded by the licensor. (Išoraitė 2009, 43.) Objective of these agreements is not to merge a single entity e.g., a joint venture, thus parties will conserve their authority and judicial obligations. (Stim 2004, 242.) Technology licensing can be seen as a more challenging alternative than product licensing. In case of several technological license agreements, the rights to utilize the trademark and its IPR may arise questions especially in managing the brand and keeping its coherence. The plain product licensing is much easier to conduct since brand management is done sovereignly by the licensor.

5 BRANDING

5.1 Concept of brand

The word 'brand' originates from ancient Scandinavian language, Old Norse, where 'brandr' meant 'to burn'. Later on, livestock owners began to use the branding as a method of marking their cattle and other animals in order to identify their own property. On the markets, experienced buyers would recognize the brands and deduce where the herd came from and who the owner was. A known and trusted breeder could demand higher prices related to unfamiliar breeders. Branding a livestock with another breeder's brand was and still remains an illegal act. (Fahy & Jobber 2012, 142; Kivi-Koskinen 2003, 103-104.)

”Brand is a message of continuously fulfilled promises for customer”. These promises represent the expected minimum characters of the brand, which is not however essential to over perform either (Kivi-Koskinen 2003, 106). It is one of the most important creators of long-term non-tangible assets for any company, in other words, ”it is the totality of perceptions – everything you see, hear, read, know, feel, think, etc. – about the product, service or business.” (Kotler & Pfoertsch 2006, 5 & 8.)

In the demonstration of universal branding principles, certain attributes are often distinguished. The titles and amount vary depending on source and the author but contexts are similar. Kohli and Leuthesser distinguish branding principles into five following titles: Vision, identity, awareness, image and loyalty of the brand. (Kohli & Leuthesser 2001.)

If the brand does not have a clear and consistent *vision*, it will not stand for anything. Especially for management it is the most essential to perceive and deploy vision or otherwise the brand becomes diffuse and loses its value over time. *Identity* is how the brand is recognized, by its name, logo and slogan. Name can be changed, but every change carries significant risks of wasting the brand equity. For that reason, a name and logo as well should be created with long-term commitment and particularly in international business with caution to avoid inappropriate associations in foreign languages and cultures. Slogans are valuable assets in advertising, public relations and in other marketing activities. A catchy slogan recalls the brand into customers’ minds repeatedly and besides, many of the world’s best known brands are in fact recognized by their slogans e.g. Nike with its “Just Do It”. Third attribute, brand *awareness* defines how well customers are able to connect the brand to its product category. This can be revealed with aided and unaided recall tests, where the subject connects brands to their categories with and without given examples. A weak awareness tells that marketing efforts have failed as the brand is not recognized right, a very strong awareness may instead mean that the certain brand is recognized as the reference in the market e.g. a Coca-Cola is reference for all the ‘cola’ –drinks and verb- “to Google” is reference to seeking information from Internet. In addition to consistency, the brand must remain an entity of all its individual exposures. The brand *image* is the combination of perceived associations working in synthesis. In other words, all the aspects of a brand, connected to consistent essence. In general, the Coca-Cola’s image has remained consistent for decades as a result of careful management of brand associations for instance. In addition, the brand image protects new innovations from competitors’ substitutes and deliberate or accidental copying. The last brand attribute is *loyalty*, which describes the personal relation towards a certain brand. A rebuying customer discloses successful brand loyalty. (Kohli & Leuthesser 2001; Kotler, Keller, Ang, Leong & Tan 2013, 301-314; Kotler & Pfoertsch 2006, 40 & 162-163; Matrood 2016; Vogelstein 2003, 57-58.)

Other acknowledged and important brand principles besides the five mentioned attributes are *price premium* and *leadership*. Price premium does not stand for high-price strategy but rather for higher margins related to unbranded substitute goods. It is the eligible reward a company desires to receive from branding in the first place. However, a company can receive competitive advantage by functioning against price premiums, such like Microsoft has done through aggressive low margin strategy atypical for ICT industry. Brand leadership is the intended target of brand management and outcome of guaranteed customer satisfaction by responding to expectations in long-term through innovativeness and constant self-renewal. (Kohli & Leuthesser 2001; Kotler & Pfoertsch 2006, 43, 53 & 163.)

5.2 Brand management and development

What often separates a good brand from a bad one is company's holistic approach to branding (Kotler & Pfoertsch 2006, 15). Brand management means taking care of company's and its product's brands, and maintaining and developing a great brand should be one of the most important long-term missions of any company, since a good product brand may appear to be a more valuable asset than a traditionally measured valuation of the product itself. (Kivi-Koskinen 2003, 104; Kohli & Leuthesser 2001.) Even though the company is responsible for their brand, the brand itself cannot be owned entirely, since it is not something to patent or receive a copyright. It reforms and changes constantly through the actions of the trademark owner, stakeholders and environment (Kivi-Koskinen 2003, 106). Advertisements, logos and public relations are just methods of traditional brand management, but not the brand itself (Kotler & Pfoertsch 2006, 5).

The traditional concept of brand management is under a transformation trend wherein pursue of mass awareness has been replaced by reaching the target audience through customized and personalized marketing methods especially because of Internet. For instance, social media channels have become one of the most significant tools for reaching different customer groups including B2B sector (Burdett 2016; Website of Management Study Guide 2016.) Thus modern brand management is continuous balancing and even the world's strongest brands are not eternal and require continuous management and development. The most simply purpose to manage a brand is to avoid the waning of brand recognition by new generations. (Anthony, Johnson, Sinfield & Altman 2008, 114.)

Even though the branding has been defined as most important non-tangible assets, couple occasions can actually be recognized when the relevance of branding efforts should be reconsidered. First of all, the amount of suppliers and their relative market shares determines the level of competition. In theory a company with secured and absolute monopolistic market position does not benefit from a brand as long as demand remains unaltered. (Kotler & Pfoertsch 2006, 49; Worm 2012, 97.) Secondly, in these days, the consumers cannot be segmented distinctly by their buying behavior since a rational customer chooses his or hers purchase often according to prevailing situation and by the purpose. A product with the strongest brand recognition may be chosen as well as the lesser-known brand or a private label brand. For instance, branded kitchenware might be acquired for daily purpose and cheaper substitute for the summerhouse. (Puusa 2011, 261.)

Brand of international trademark

Primarily, the trademark owner is responsible to control its licensed brands. The previously mentioned three types of licensing scopes; exclusive, nonexclusive and sole right agreement defines the requirement for different brand management strategies for helping maintain the product brand consistent, or alternatively need for the outlines and requirements of local brand adaptation. Occasional checkups for licensees are an efficient method of preserving brand value, since the brand is amongst the most important assets, including the tangible and non-tangible assets of the licensor, despite the manufacturing model. Whether a company manufactures simultaneously in-house and by a licensed manufacturer or by one or other, the brand perception must remain consistent. Unintentional divergences in quality or features easily entail the confusion and distrust within buyers. However, the licensee may also contribute the licensor with unprompted development suggestions. A licensor's further affiliation with distributors enhances the brand consistence though international distribution and especially local brand adaptations require lots of effort and skills from the trademark owner. (Apke 1998, 8; Ford, Gadde, Håkansson & Snehota 2011, 169; Stim 2004, 278; Tuominen & Tanskanen 2007, 9-10, 16.)

Global branding with cross-cultural dimensions requires particular knowledge and evaluation from the company, such as whether to standardize or localize the brand. Standardized brands benefit the economies of scale and reduced operation costs as the same product and marketing approach can be utilized worldwide. However, local adaptations are most often essential in almost any case, albeit it does not seem it, by the reasons of government regulations or pure natural characteristics of the market such as language, environment or demographic factors. Only a few industries enjoy low adaptation expectancy in a global scale e.g., chemicals, information technology infrastructures and aerospace industry. The most adapted branding strategy is multi-domestic strategy. It is a balance of domestic and foreign operations on which product development and marketing are independently performed in foreign local offices and administrative operations mainly in the domestic head office. The local offices have only a little connection with local equivalents in other countries. (Schaffmeister 2015, 17-19.)

Alternatives for multi-domestic strategy are international brand strategy, global brand strategy and transnational brand strategy. *International brand strategy* is the most effortless. The large and multinational enterprises with distinctive and well-recognized brand, which is difficult to imitate, benefit from the international brand efficiently. Brands of Microsoft and Apple are good examples. *Global brand strategy* does not differ essentially from international strategy, but instead of trusting to the unique essence of the brand, a company seeks the economies of scale and cost advantages. Neither of those two strategies includes adaptation or major local development processes. Fourth alternative, the *transnational brand strategy* seeks to combine the positive features of global and multi-domestic strategies while minimizing their challenges. Its main characters are strong local responsiveness driven by proactive home country administration. The original domestic brand offers a framework for local adaptations. A core desired objective is the transition of know-how from local implementing operators to managing headquarters. From mentioned four strategies the transnational is definitely the most challenging to even for MNEs, since separated management and implementation with top to bottom hierarchy are expensive, and long-term success tends to require at least certain amount of local decision-making. (Cavusgil, Knight & Riesenberger 2012, 317-319; Kotler & Pfoertsch 2006, 88-90.)

5.3 Buying behavior and brands

Consumer perspective

Consumers tend to acquire products and services for themselves or their acquaintances for personal purposes. The sub-markets of consumer goods can be loosely categorized into "fast moving consumer goods", "semi-durable goods" and "durable goods". The foremost category includes goods with low financial impact and they are acquired with mild consideration and by routine – groceries and household items are these for instance. Semi-durable goods last longer and are bought less frequently; clothes and gifts are typical examples. The latter category, the durable goods involve high opportunity costs, are considered carefully and have substantial financial impact. Common examples are real estate, vehicles and household appliances. (Jobber & Lancaster 2015, 11; Lancaster & Massingham 2011, 46, 274.)

Regardless of the category, the traditional buying process of an average consumer begins with the identifying of a need, which can be triggered by internal or external incentives. Internal incentives are natural, such like thirst and hunger. On the contrary, classic external incentives are an encounter with an advertisement or envy perhaps. (Kotler, Keller, Ang, Leong & Tan 2013, 205; Lancaster & Massingham 2011, 51.) The most prominent unique character of consumer branding is demand for experiences and goods unrelated with direct needs though in current society the needs of joy and fulfillment can be admitted. Rendering authenticity is core brand features of experiences driven by consumer sensibility. (Pine 2004.) Zizek explains the buying behavior of civilized and affluent consumers through the definition of "egotist consumption", where branded merchandises, such as Starbucks coffee or organic fruits are bought instead of a need, to receive gratification through experience. (Zizek 2009.)

An example of explicit consumer branding is private label brands of retailers or distributors. The seller invites manufacturers with additional capacity into a competitive tendering of appointed merchandise to establish an agreement with the provider of the lowest selling price. Thus, private labeling is an efficient competitive tool for maneuvering the manufacturers since the private labels channel larger portion of margins for the private label owner – the seller who also benefits from decreased costs in R&D and marketing. In perspective of SME manufacturers, the private labels are a cost efficient method to guarantee and extend distribution. However, the private labels should not be mixed up with generic unbranded goods, which affordability derives from lack of quality, packaging etc. Generic products have however their own clientele. (Hollensen 2014, 504-508; Kotler, Keller, Ang, Leong & Tan 2013, 591-593.)

Organizational perspective

A derived demand of ultimate consumers defines why and how businesses acquire products and services. The buying behavior of B2B companies is however always dependent on the specific industry and market. Concerning the price, demand is inelastic since manufacturers do not hoard resources if prices decrease but may consider substitutes if prices rockets or surges instead. Up to date organizational buyers fortunately increasingly recognize the inequality between low prices and lowest total costs. Ignoring the price factors, demand tends to fluctuate and is erratically subject to ultimate consumer demand, thus the small changes in consumer buying behavior reflect directly in inflexible production chain. In economics, this occurrence is called the acceleration effect and may turn out very intractable for maintaining the basic business processes. (Jobber & Lancaster 2015 10-11; Kotler, Keller, Ang, Leong & Tan 2013, 231; Lancaster & Messingham 2011, 55, 64.)

Organizational buying behavior varies a bit depending to the size of business. Large organizations usually have an involving purchasing unit consisting of selected representatives from every group related to purchase, e.g. utilizers and professional buyers. Medium size organizations tend to have a professional purchasing department and smaller companies in turn have a salesperson. Common for all sizes is the practice of senior management participation in the most important cases. However, the purchasing agents, key account managers, salespersons etc. have in any case the closest relationship with the customers because of their job description. (Jobber & Lancaster 2015, 10-11; Kotler, Keller, Ang, Leong & Tan 2013, 230-231; Lancaster & Messingham 2011, 274.)

Average consumers recognize B2B brands on a daily basis without paying attention; in fact many of the world's well-known brands operate mainly in B2B e.g. Intel, Caterpillar and General Electric. Thus, a brand is a substantive feature in business-to-business as well as in business-to-consumer industry. Crucial factors behind Intel's, Caterpillar's, General Electric's and many others successes are exceptional knowledge and excellent resources, but most importantly the unique brand recognition to attract the attention of B2B buyers repeatedly. The brand is key factor as well in a purchasing process of entirely new acquisitions, as recognized brands tend to gain more trust and are considered less risky. Besides, an entirely rational organizational buyer simply does not exist, every person, the proposer of purchase or decision making senior management evaluates his or hers decisions of proposing or to order the purchase according to previous personal experiences and prevailing emotions. Therefore B2B goods that neglect value propositions of the brand are in danger to regress into commodities over time and end up competing merely with the price factors. (Barnes, Blake & Pinder 2009, 27; Kotler & Pfoertsch 2006, 12, 40-46, 58; Website of McKinsey 2013, 3-6.)

In 2011-2012 McKinsey and Company examined the correlation of B2B brand strength and profitability in a global scale with the survey of 704 executives and found that strong brands were 20 per cent more profitable (EBIT, *Earnings Before Interest and Taxes*) compared with weak brands. Concerning the brands in general, B2B buyers appreciated most the information efficiency, risk reduction and image benefit creation in given order. The profound assessment of survey revealed that nevertheless a wide gap appears between the valued brand themes of companies and their customers (Table 1). Majority of top 90 examined companies rely on five homogenous themes: Corporate social responsibility, sustainability, global supply, adaptation and innovativeness whilst their customers are interested in honesty and open dialogue, responsible supply chain, special expertise, similar values and market leadership. (Freundt, Hillenbrand & Lehmann 2013; Website of McKinsey 2013, 3-6.)

Barnes, Blake and Pinder concur into the opinion of prevailing incongruity in expected brand values, further stressing that too often companies are afraid to actually stand for individualistic values but instead has a strong propensity to meaningless platitudes. They recognize two reasons for this, firstly, a company does not want to take the risk of offending any stakeholder with strong opinions or secondly, but more importantly the company as a matter of fact might not have a personalized and internalized set of values at all. Therefore the best practice of transformation towards a high valued brand is dedication to listen to the customers. (Barnes, Blake & Pinder 2009, 90.)

Table 1. Themes perceived important by B2B companies and their customers. (Freundt, Hillenbrand & Lehmann 2013.)

Companies' brand values	**Customers' brand interests**
1. Corporate social responsibility	1. Honesty & open dialogue
2. Sustainability	2. Responsible supply chain
3. Global supply	3. Special expertise
4. Adaptation	4. Similar values
5. Innovativeness	5. Market leadership

5.4 Co-branding

The launch of an entirely new brand is often difficult and positioning to the market takes time and resources. The possible failure rate of new brand varies from 80 to 90 per cent. Thus companies tend to leverage their existing brands through "line extension" or "stretching" to decrease the failure rate of new brand with the assistance of current brand perception. *Line extension* is method of establishing new products into previously familiar and a similar product category. Brands of personal hygiene products such as Dove, favors the line extension as continuous strategy for leverage awareness of new product launches. The *brand stretching* in turn is somewhat a riskier alternative and means an establishment of a new product in a dissimilar category with the leverage of a familiar brand. Virgin Group is a well-known example of a company operating in entirely different industries e.g. music and aerial businesses with one core brand. Both branding alternatives might involve an issue of extending the brand too far from the original product, resulting in the loss of brand perception. (Aaker & Keller 1990, 38-40; Aaker & McLoughlin 2010, 216-217; Fahy & Jobber 2012, 153; Leuthesser, Kohli & Suri 2003, 35-36; Pride & Ferrell 2009, 252; Website of Dove 2016; Website of Virgin Group 2016.)

One of the most proper alternatives for line extension and stretching is co-branding. It does not have a universally accepted definition but professional literature defines co-branding as a strategic alliance or brand partnership between two companies integrating their brands together. In licensing business, a co-branding relationship is established by an agreement, which defines the extent, responsibilities, profit sharing, the sharing of marketing costs etc. of the co-operation. (Leuthesser, Kohli & Suri 2003, 36-37; Pride & Ferrell 2009, 253.)

Co-Branding appears in two basic forms, product-based co-branding and communications-based co-branding. In the foremost arrangement, the companies will launch certain merchandise with the valid features of both brands. Key characters are to perceive an equal value proposition from both brands as well as retaining their individual identities, since customers may otherwise incorrectly assume co-brand to be a new joint venture and brand awareness diminishes. The latter mentioned form of brand collaboration, *communications-based co-branding*, combines the public communications of allied companies through mutual interests. The brands of their merchandises or services will remain separate, but usually complements each other’s demand. The common implementation of communication-based co-branding is recommending your own and cooperative partner’s products together in order to increase their demand. (Cooke & Ryan 2000, 38-39; Fahy & Jobber 2012, 153; Pride & Ferrell 2009, 253.) There is as well another perspective in communications-based co-branding – the “awareness branding”. The credit card companies and their strategic partners utilize it occasionally for instance, to guarantee a brief access in the strategic partner’s customer database in order to boost customer networking. (Blackett & Boad 1999, 9-10.) Leuthesser, Kohli and Suri (2003, 36) however argue that communications-based co-branding is not proportional with product-based co-branding and is rather a short-term agreement of joint promotion.

Transform and merge of brand equities is the most essential issue on co-branding and is dependent on the roles of strategic partners. Co-brand of two parallel parent brands creates very different outcome related to the relationship between a parent and secondary brands or both brands classified as secondary. The parent brand is considered usually but not always as the stronger participant and secondary brand as the weaker or less known. (Leuthesser, Kohli & Suri 2003, 37.) A product trial of Washburn, Till and Priluck suggests based on their study, that two parent brands with high equities combined as co-brand will retain approximately the same level of brand perception as separately. A co-brand of high equity brand and low equity brand will result in significant brand value appreciation regardless to which one is parent and secondary. A combination of two low equity brands into co-brand, also regardless to their parent-secondary status, resulted in increased appreciation, but less than with a high equity counterpart. (Washburn, Till & Priluck 2000, 597-600.)

According to research of Levin, Davis and Levin, people tend to associate co-branded products by its parent, more evident or stronger brand (Levin, Davis & Levin 1996, 296-300). In addition, the high equity parent brand can "share" its brand equity for the weaker secondary brand without significant negative effects into itself. Latter studies of B2B co-brands suggest that weaker secondary brands earn improved sales, higher awareness and better recognition, while parent brands receive improved technological capabilities and its distribution network expands. (Kalafatis, Remizova, Riley & Singh 2012, 631; Washburn, Till & Priluck 2000, 600.) This feature is especially essential for the secondary brands which image is difficult to perceive independently without the co-existence (Leuthesser, Kohli & Suri 2003, 41).

Partnering with a relatively larger company offers a great way to share and allocate risks. Major challenge for an entrepreneur might be trivial for a large-scale and experienced strategic partner. Thus a small company can save lots of resources and effort. Besides, the large partner will benefit as well indirectly since the small but important partner may release its resources back into more productive tasks. (Anthony, Johnson, Sinfield & Altman 2008, 186.) However, co-branding is not pre-eminent methodology to leverage just any new product into the market, as the integration of incompatible brands will not likely engage customer approval (Pride & Ferrell 2009, 253).

Co-brand dimensions

The co-branding strategy matrix of Leuthesser, Kohli and Suri divides four different dimensions of co-branding related to complementarity and extensibility in existing or new markets. First dimension defines an absolute complement co-brand established for the existing market, co-operation regarding to Intel's microprocessors and Dell's computers is a relevant example. Second dimension is also absolute complementary co-brand, but is targeted to serve new markets. New substitute sweeteners for beverages are an easy example as the sweetener and drink are complementary and together they create new markets. Third dimension, an extensively complement co-brand seeks to strengthen the existing market position through image enhancement. Sportswear designed by professional athletes adds brand value, but is not considered essential for the functioning of the cloth in particular. Fourth and last dimension, the co-brand of extensively complement brands, aims to create new markets through image benefits. Apple and Hermes' co-branded new design smart watch engages the consumers previously uninterested in high-end technology watches into smart watch markets. The dimensions are not precluding for hybrid combinations, and in practice the co-brands tend to have the features of different dimensions. Study also suggests that absolute complementary brands create more equity in comparison to extensively complementary brands. (Leuthesser, Kohli & Suri 2003, 40-45; Website of Apple 2016; Website of Nike 2016.)

5.5 Ingredient Co-Branding

"The average profitability of most suppliers has not increased over the last decade. Ingredient co-branding is a promising way out of this dead end street" – (Kotler & Pfoertsch 2010, 9). Origin of ingredient co-branding is unknown but it has been utilized approximately since 1950's. DuPont is considered the first companies to popularize the concept because of their invention of polymer polytetrafluoroethylene, recognized by the general public as Teflon, the non-sticky material in cooking pans and pots. Later on, Intel, W.L. Gore & Associates, Shimano and countless other companies have internalized the benefits of ingredient co-branding. (Gassmann, Frankenberger & Csik 2014, 184-186.)

Ingredient co-brand consists of a product, its prominent ingredient and both of their brands from different companies working in co-operation. The key factor of the ingredient is, that it cannot be used or sold alone as a single entity, but acts as an essential complementary of another product. The ingredients are usually superior innovations providing particular advantages for the product it is a part of or attached. Typical for ingredient co-brand strategy is that the “ingredient” is promoted for both vertically and horizontally strategic partners including consumers, in order to maximize earnings and exposure on the long term. Teflon material was one of its kinds to prevent food from sticking on to cooking ware while preparation. W.L. Gore & Associates Gore-Tex was miraculous breathable membrane in outdoor clothes against wind and rain. Shimano instead managed the first one to brand quality bicycle components for average consumers. (Gassmann, Frankenberger & Csik 2014, 184-186; Kotler & Pfoertsch 2010, 120-121, 192; Leuthesser, Kohli & Suri 2003, 36.)

Ingredient co-branding can be either a manufacturer or supplier oriented. The manufacturer-oriented approach represents the classic perspective of ingredient co-branding in order to increase the parent brand’s awareness and sales through the attachment of the specific ingredient. Strong prevailing awareness and high quality perceived by the end customers are key features for the manufacturer looking for an ingredient. In this case it is common for the provider of the ingredient not to participate in every new partner’s product’s launch campaigns, as long as it can trust to the company of the parent brand, which it definitely should be sure. Motivation of supplier-oriented ingredient co-branding is about receiving awareness for a unique innovation or product with desirable features. The owner of the ingredient is often driven by the benefits of push and pull ‘principle’, which is explained further in detail. (Desai & Keller 2002, 90; Kotler & Pfoertsch 2010, 28-29; Norris 1992, 26; Vaidyanathan & Aggarwal 2000, 215.)

Ingredient co-branding is a specific form of co-branding although they are often thought to be synonyms since their features are overlapping and their disparity is minor. Nothing prevents a company from utilizing both strategies simultaneously. Figure 1 clarifies the slight difference between ingredient co-branding and co-branding by demonstrating the dimensions of brand combinations. The mere co-brand can consist of various products that may or may not be dependent to each other. Thus, the products of co-brand can sometimes be separate entities, which ingredient co-brand can never be. In other words, the ingredient is always a single invention, component, particle or such, offered for many parent brands without existing as a single commercial entity. (Kotler, Keller, Ang, Leong & Tan 2013, 437; Kotler & Pfoertsch 2010, 23-24.)

Multiple Products	Separate Brands	Co-Brand
Single Products	Single Brands	Ingredient Co-Brand
	Single Brand	**Multiple Brand**

Figure 1. Dimensions of branding combinations (Kotler & Pfoertsch 2010, 25.)

Vaidyanathan and Aggarwal studied the consumer associations of an ingredient in private label branded product by arranging a product trial. They found out that use of a high equity branded ingredient in a private label product or similar, does not decrease the perceived total value of the ingredient co-brand, even if the private label brand would be affiliated to negative exposure. Hence it is actually entirely possible to supply the ingredient for multiple brands with different equities and still remain and even grow the awareness and recognition in a positive sense through a larger promotional exposure. An interesting additional finding in study was that especially the test group of value conscious consumers appreciated the new co-brand of private label brand and ingredient co-brand. (Vaidyanathan & Aggarwal 2000, 223.)

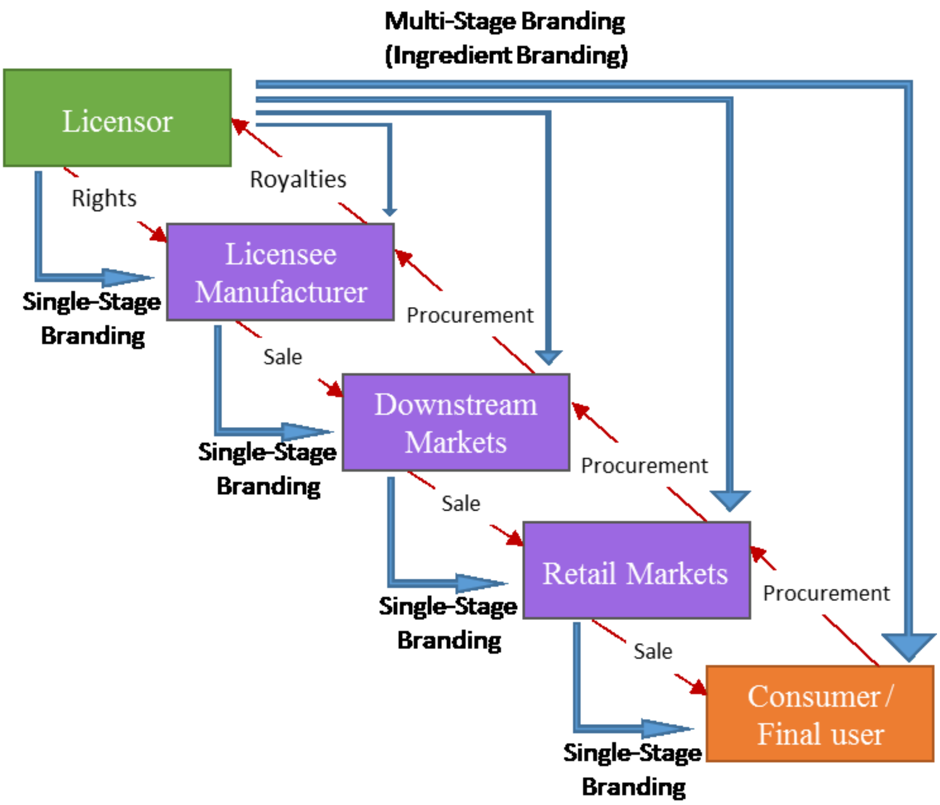

Figure 2. Multi-Stage branding. (Adapted version from Kotler & Pfoertsch 2006, 130.)

Multi-stage branding captures the basic essence of promotion and public relation opportunities for the owner of the ingredient. Figure 2 above represents the supply chain of business-to-business-to-consumer (B2B2C) network included with single- and multi-stage branding effort alternatives marked with blue arrows. The owner of the branded ingredient, in this case the licensor, provides rights to patents for the licensee manufacturer that supplies the downstream markets, such as business customers who own the parent brands, who in turn have connections to the retail market consisting of distributors and stores serving the consumers. (Kotler & Pfoertsch 2010, 32, 310; Kotler & Pfoertsch 2006, 130.) Efficient and resourceful brand management makes possible for the ingredient owner to utilize multi-stage marketing and cover entire network or target on the most important participants related to prevailing situation. DuPont's, currently The Chemours Company's, continuous marketing campaign of Teflon is among the greatest examples for especially the end customer targeted ingredient co-branding efforts. (Gassmann, Frankenberger & Csik 2014, 184; Website of Chemours 2016.)

One of the key benefits in the multi-stage branding approach is possibility to exploit push and pull 'principle'. The direct promotion efforts for the end of value chain generate derived demand for the ingredient. In other words, the ingredient owner introduces its invention or such for the specific member in supply chain or public and hopes for it to begin to insist and seek the ingredient from the market, generating B2B customer or consumer oriented "pull" for the exact ingredient. Depending on the scale of value chain, the simultaneous promotion – pushing and pulling – in the entire network creates pressure for the tentative links in chain to participate. Push and pull 'principle' is modeled simplistically below from the perspective of the licensor as supplier initiative and consumer as the target (Figure 3). (Kotler & Pfoertsch 2006, 131; Kotler & Pfoertsch 2010, 26-27, 279.)

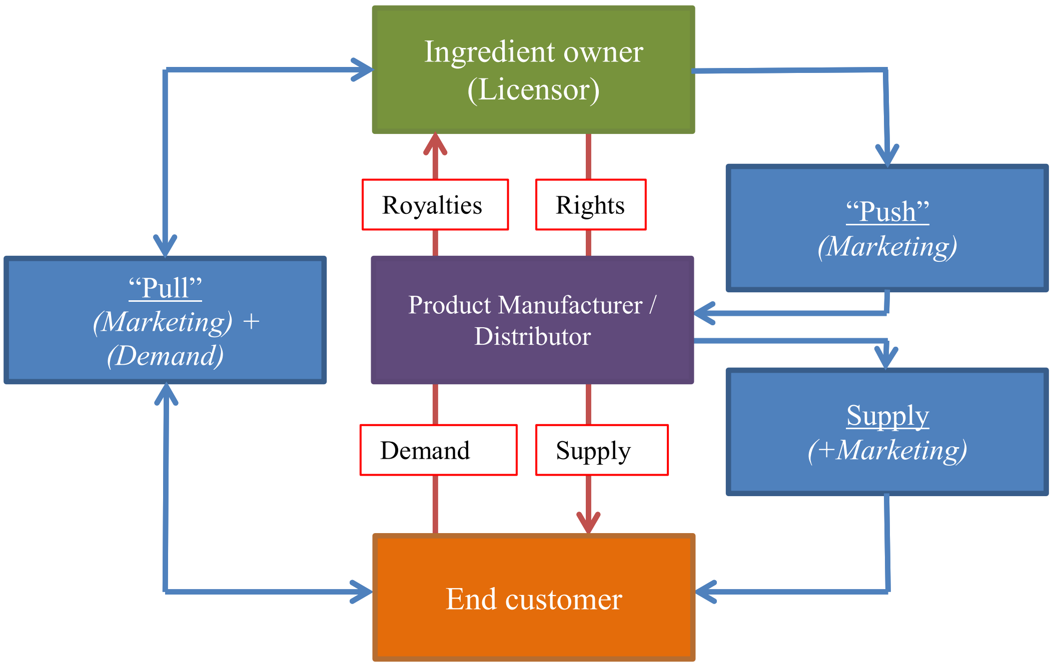

Figure 3. Push and Pull principle. (Adapted version from Kotler & Pfoertsch 2010, 32.)

A good example of integration of the ingredient co-brand and derived demand is recent vision for Nokia brand. Risto Siilasmaa, the chairman of the board of Nokia Corporation, revealed his vision of branding Nokia's forthcoming large-scale information technology network infrastructure for consumer audience appealing for security. Citizens are globally becoming more and more concerned about the protection of their Internet identity. The point of Siilasmaa is that Nokia would not allocate their marketing efforts directly for the consumers, but instead influence on network operators' recommendations. The strong security would act as the determining "ingredient" in operators' network subscriptions in the minds of consumers. (Onninen 2016.)

Worm states that ingredient owner's more important issue rather than deciding of whether to claim and pursue brand visibility in the end product, is to estimate the capability and willingness to manage the established brand and its consequences for the organization structure. (Worm 2012, 195-196.) Management of the ingredient provider company should have experience on an advertisement and at least public relations, but especially understanding about the rotating phases of being proactive and patient. Being aggressive on the markets and listening them are equal assignments. If the ingredient company possesses funds and resources for the promotions, it can benefit easier of the full advantage of the concept. However, it is not entirely guaranteed that implementation of an expensive advertisement campaign would bring the best results of the push and pull 'principle'. Mere discussion and communication with the members of supply chain including consumers can reveal valuable insights for the ingredient provider. (Kotler & Pfoertsch 2010, 296-297; Norris 1992, 27.)

Guerilla marketing

In addition, an eminent ingredient provider can promote brand communication with marketing method called the "guerilla marketing", which idea is to create customer awareness on low budget. Rather than evaluate the exposure and efficiency of alternative campaigns and advertisements in money, guerilla marketer plans how to approach specific customers with minimum funds by focus on the uniqueness of the marketing event or operation. The term of guerilla marketing does not define precisely what is included in it and what is not. A marketing operation where creativity exceeds the costs, meets the criteria of guerilla marketing and therefore ingredient co-branding with the multi-stage approach offers lots of opportunities for it. (Parantainen 2005, 19; Richard 2006, 6-9.)

In order to understand how guerilla marketing differs from traditional mass marketing, few basic principles are good to demonstrate. In the first place, the guerilla marketing should not be addressed for the organizations or companies, but rather their specific decision makers. Thus, unaddressed mass promotions via emails or fliers are considered inessential since they are expensive and only certain percent of them reach the correct target. Secondly, the guerilla marketing aims to offer help and solve problems and therefore customers are willing to give attention to it. If the product or service does not offer noticeable value for the customer, then the guerilla marketing method might not necessarily suit it. Thirdly, sales and marketing are important to combine in guerilla marketing, since salespeople have the closest relationship with the customer and therefore are able to create correct marketing. Lastly, the establishments of long-term strategic alliances are important practice in guerilla marketing, even though the co-operations might be profitless and time-consuming on a short term. (Parantainen 2005, 15-20, 30, 58.)

Because of mentioned alternative options, a low resourced SME is not certainly prevented from utilizing parts or the entire ingredient co-branding strategy successfully – vice versa – agile and self-aware SME can exploit the Internet and guerilla marketing as inexpensive means to reach stakeholders and after all, the brand is much more than just the promotions, it is everything a company does no matter how small or large the exposure is. (Kotler & Keller 2012, 265; Kotler & Pfoertsch 2010, 7.) In the best-case scenario for an SME, the branded ingredient becomes gradually the standard on its industry and consumers begin to insist on the exact ingredient from the co-brand (Keller 2013, 274).

5.6 Conceptual framework

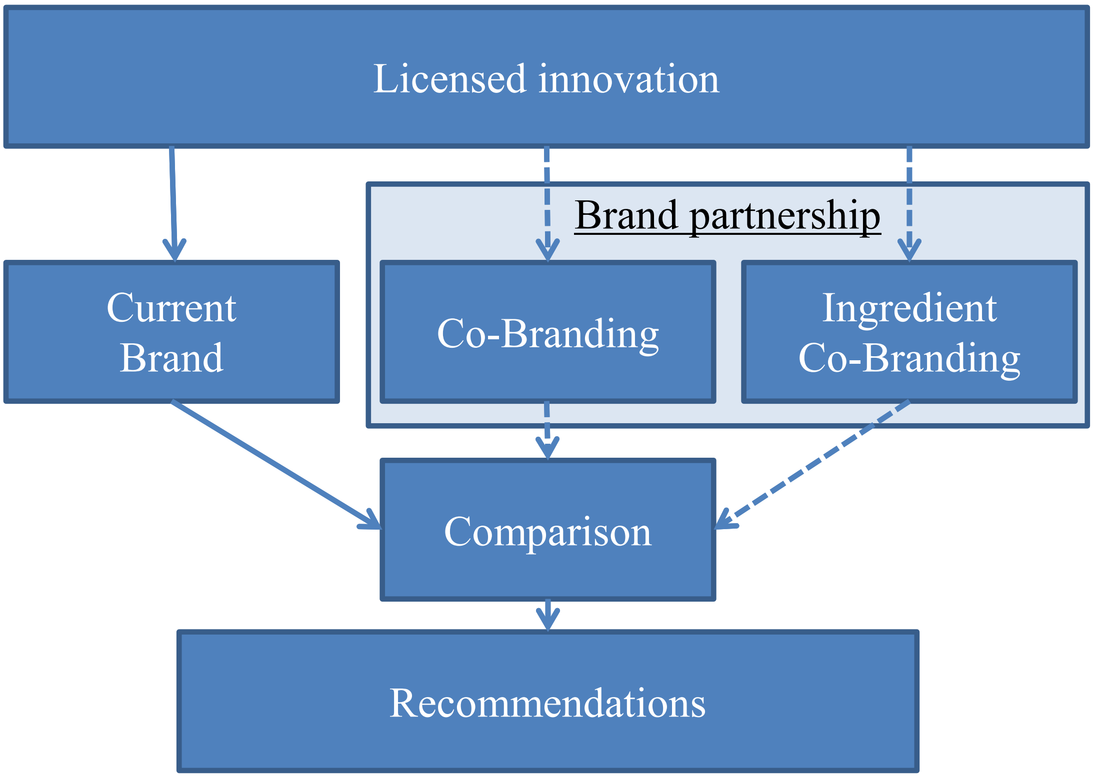

Figure 4. Conceptual framework of the thesis

The conceptual framework (Figure 4) represents the concept of licensed innovation's brand opportunities. It consists of the selected brand theories of co-branding established through strategic brand partnership: ingredient co-branding and co-branding. These brand theories will be compared with Case Company's current brand, which is analyzed by means of personal observation and executive interviews, leading to development recommendations for future product brand strategy for innovation X.

6 RESEARCH FINDINGS

6.1 Current brand and the innovation

Referring to the classic definition of new innovation's disruptiveness, classifications by the innovation's source and "technology versus business model" -approach, in addition to separation between "nonconsumers" and "overshot consumers", the innovation X of Case Company is rather complicated to categorize. The company hopes its innovation to become a new standard and game changer in its industry, which refers to Schumpeter's disruptive innovation. A few scattered consumer polls have pointed out innovation's core features to be quite unnecessary for some, but just as many have pointed out the greatness of the innovation. Therefore in author's opinion, the categorization depends on which features the viewer concentrates and appreciates in person.

Innovation X is more environmentally sustainable than its average substitutes, offers new kind of method of use, and in addition solves a certain "problem" in utilization compared with the traditional product. Nevertheless, the current consumers are so accustomed to live with the "problem" that they may consider it insignificant until it emerges worse than usual. For instance, during a picnic a glass of red wine tipped over onto grass seems trivial adversity for many, but tipped over to new expensive dress is much more inconvenient. The example enlightens the importance of circumstances where the incident emerges, and by the same way Case Company's innovation can be seen ingenious or pointless depending on prevailing conditions. In a conclusion, innovation X has chance to disrupt the industry, it might suit well for the unsatisfied "nonconsumers" seeking solution, but less well for the "overshot consumers" since it has additional features.

The Case Company is a newcomer in the business and thus the innovation X has external origins, in addition to founder being an end-user at the times when the idea was born. In comparison between "technology and business model" related innovation, the Case Company fills both classifications with the technological novelty and its licensing business model that is not common in industry of otherwise mature stage products and businesses. More common business practice would have instead been a sale of innovation X and relevant intellectual properties in the highest fixed price for the largest player.

6.1.1 Participant-observation of current brand

Brand principles of the innovation

Kohli's and Leuthesser's the seven branding principles distinguished in Chapter 5.1 were vision, identity, awareness, image and loyalty of the brand, in addition to the extra principles of price premium and leadership. These seven principles represent the basic dimensions of how brands can be inspected, and thus the observation of the brand of innovation X begins with them.

In the company websites, the vision of the innovation X is mainly addressed for consumers through a casual story of foundation in form of "letter" from CEO. The company states that their innovation would make a certain drinking event somewhat more convenient than previously – in addition to being an environmental friendly. Current substitutes are partly ecological, and partly non-ecological, thus one idea of the innovation X is as well to wake up consumers to demand more environmental friendliness from the particular merchandise.

The coherent identity of the innovation X remains still incomplete, but the direction is correct. The name of the product is in English, descriptive and fits for international use. The logo is a representational outline of the innovation X itself, and thus reminds the viewer about the actual product. However the slogan still remains disunited, whereof company uses the variations of several utterances in different circumstances. Few of the alternatives are used more often than the others.

Brand awareness, in Kohli's and Leuthesser's context – the correlation of innovation X with the correct product category – should be convenient because of the descriptive name. Such like brands of cola drinks often have the "cola" -word on their brand; similarly the innovation X has the consistent and revealing word on its name. However, in consequence of the public unfamiliarity, we cannot speak the status of reference brand yet. Most people who are aware of company's existence in general are investors, candidate and current strategic partners and business customers, in addition to the very small group of early-interested "fans".

Because to the early stage of Case Company's journey, there has not been much of opportunities and time for a public image to establish, thus the innovation X's image and its consistency is slightly diffuse but still under control. The image implies the recurring themes of permanent characters such as the coloration of material and product, the essence of tranquility and environmental friendliness, continuously integrated in public relations. However, the scenes on promotion pictures, filming and direction of product presentation videos and presence in social media are diverse and inconsistent. Old and new promotion materials are mixed up together without a chronology. However, assessing the non-visual image instead, such as the sales force and essence of personnel, the company has managed to create an attractive and easily approached reputation around the innovation X. Personnel are allowed and commended to tell about the product for all the interested persons, of course in good manner and for promotional purposes.

Last principle, the consumer's loyalty to a brand can be only assumed until the final product is available for public. However in reference to business customers, no patent violations have emerged and communications have remained active, speaking the behalf of loyalty to the original innovation X. The two additional brand principles, price premium and leadership are not measurable factors until of the final product has settled on the market though the innovation X will attempt to benefit both principles due to the essence of genuineness.

Brand in Case Company websites

Analysis of the company websites as well as the social media channels are considered essential in consequence of their relative significance for innovation X's current brand communication. In general, the websites of B2C and B2B companies have a few but essential differences in their design. Formers tend to favor large images, short and easy read texts and content is overall very visual. Latter ones are made to share detailed information and therefore their design is plain and content very text based. The main distinguishing factor is that B2C websites pursue the benefits of mass marketing while B2B websites are being addressed for specific professional audience. (Miller 2012, 25-26.) In reference to Case Company's websites and especially to innovation X's visibility, the front page is very visual since large pictures, videos and short texts attracts viewer's attention. However, the site includes as well lots of detailed information addressed for specific businesses and news for instance are addressed mainly for professional visitors.

Further analysis into website statistics reveals that visitors do not stay for long in company's websites. Average visitor spends less than minute in the site, which might be the consequence of convenient access to sought information or alternatively because professionals assume they have ended up by accident into a consumer site and vice-versa. Therefore the company utilizes the multi-stage branding approach slightly in its website, even though by inadvertently and uncontrolled manner. The possible current effects of the push and pull 'principle' driven by consumer visitors are unknown and very challenging to estimate from available information.

However, another interesting fact is that currently about 50 per cent of visitors are domestic, while the Russians and North Americans represent the 20 per cent of visitors and rest 30 per cent comes from the rest of the world. Company sites are exclusively in English, even though a few of the news are displayed in local language and in another European language for the specific content reasons, but in general the design of the sites is desired to be as universal as possible.

In the cultural perspective, the company website presents the innovation X with a mixture of domestic and global marketing content. As previously noted, the scenes and ambient in promotion pictures are inconsistent as the product is filmed in typical domestic environment as well as in staged surroundings imitating different cultures. Therefore the viewer's identification with the product might be challenging, but as well the versatile combination does not tie the product with any certain culture too straightforwardly.

Essence of brand in social media

Until the first quarter of 2015, the company did not have Facebook, LinkedIn, Google+ or similar social media channels employed. According to company's original common sentiment, the presence in social media was considered challenging and dispensable. It was however agreed that social media is a good promotion tool for a pure consumer oriented companies. Thus the non-existence was a long time a deliberate decision and the company focused a majority of its limited resources in an establishment of a professional network particularly with remote international business customers in emerging countries and hereby the social media channels were considered secondary expedient to reach such substantive parties. After all, the strategic partners and business customers form the linchpin of small licensing business without in-house manufacturing or distribution processes. Meetings with local businesses around the globe are the most important method of spreading and maintain the awareness of the innovation X.

According to the company's history of public releases, in 2015 most of the digital content were published in domestic language but beginning from 2016 the main language changed to English. In 2015 however the local investors were the most important target audience. In special occasions public announcements are still published in domestic language to maintain and increase national awareness. Encouraging newspaper articles written in domestic language are typical examples of such publication shared in all company's social media platforms. These announcements are blended within the English releases without allocation. From the local perspective, this manner seems sensible since it shortens the interval of updates telling that business keeps going, but in turn the international audience might sense vagueness. To elucidate the current essence of digital audience, the statistics of company's Facebook subscribers (Table 2) are gathered for analysis from "Facebook insights" - service. LinkedIn and Google+ profiles were excluded in consequence of less than fifteen subscribers during the observation.

Table 2. Case Company's Facebook subscribers, April 2016.

Platform	**Facebook**
Subscribers:	124
Domestic:	84 (68%)
Foreign:	40 (32%)
Total posts:	25
Domestic:	12 (48%)
English:	13 (52%)
Target audiences of posts:	
Business professionals:	16 (64%)
Consumers:	9 (36%)

From Table 2 we can see that 68 per cent majority of Facebook subscribers are domestic people and rest 32 per cent from around the world. Total amount of subscribers is very low, as company has not practiced public advertising and presence in professional and public events has remained minor. The company has exceedingly few releases altogether – total of 25 – considering that business has run six years and Facebook profile was established in 2015. Posts are published almost equally in domestic and English languages, but the distinct majority, 64 per cent of them are addressed for the business professionals.

Information which does not appear in Table 2, but shows in background material, reveals that most domestic posts are from 2015 and English ones from 2016, as mentioned earlier. Thus we can see that company has used its Facebook profile mostly to post business related information for domestic audience most likely consisting of persons with professional interests to the company. Another fact is that content of the posts are related mostly to achieved business goals rather than things and events interesting for consumers. A more detailed review into Facebook statistics revealed that most read posts were domestic digital newspaper articles, articles of foreign professional magazines about the becoming new innovation and plain posts with pictures of innovation X. The least interesting posts were about the announcements of new business co-operations and investment information. According to these findings, we can assume that most subscribers are interested to read what public press is writing about the company and innovation X instead of the company’s own releases, excluding the posts of product pictures which are popular in any case. We can notice that current B2B brand communication is not addressed for any specific professional groups apart from investors. The innovation X has not been marketed for manufacturers and business customers separately, but rather thought them to be interested in similar content, the innovation being a novel solution within industry.

Perceived brand values

It is common that the most direct information about the company’s own perception of its essence is available on its websites, assuming the websites are well administered. In comparison to Freundt, Hillenbrand and Lehmann’s (2013) business-to-business brand value research, the Case Company implements a mix of traditional and customer oriented statements. Top five traditional brand values according to research are all highlighted in the Case Company: Corporate social responsibility is insisted from strategic partners and business customers, the innovation X's environmental friendliness is one of the key factors, the company operates in global scale, seeks to adapt in local preferences and emphasizes the innovativeness of the product.

The B2B customer's brand interests have been taken into account as well. The most valued feature, the honesty and open dialogue, are the base foundations of the Case Company. Second interest, the responsible supply chain is fulfilled simultaneously with the corporate social responsibility that extends to require an ethical behavior of partners and customers. Third statement, the special expertise regarding to innovation is the competitive advantage the company is built upon, and thus the creation of the specific invention is highlighted in communications in order to create trust among the customers and strategic partners.

The fourth statement – having similar values with customers – is complex because of the fact that industry the Case Company is operating is divided into conservative and modern segments. Within these circumstances, the Case Company aims to adapt the brand of innovation X to fit for traditional as well for modern B2B customer segments through careful and respectful behavior, avoiding direct classification of its brand. In general, the digital essence of the brand is modern, but other dimensions, such as personnel's behavior, varies according to prevailing situation from formal to casual. The last statement of customer interests is market leadership, which the innovation X pursues but naturally has not yet had an opportunity to establish properly. Case Company always emphasizes the authenticity of the innovation in business network communications, in addition to being open and honest about its strategic partners and customers in order to appear as a strong and popular brand.

Conclusions of participant-observation

Innovation X's brand is diverse and flexible depending on the circumstances and audience. B2B orientation prevails strong in non-visual branding efforts, such as in sales and networking although the digital brand includes the characters of customer orientation because of high visual context. Therefore we can reason the multi-stage branding as well as the push and pull 'principle' are being utilized slightly but mostly unintentionally and without a strategy. In addition, the observation revealed the fact that target audience of innovation X's current brand is complex, since institutions and individuals may represent many roles simultaneously and their interests cannot be segmented externally.

6.1.2 Current brand from Case Company's perspective

Execution of interviews

Even though all four interviews were planned to arrange by personal meetings, in total of three interviews were held face-to-face by meeting or videoconference and one by email discussion because of schedule and far distance between the interviewer and the interviewee. Nonetheless all the interviews provided sought information and more in abundance. The three themes of interviews (Appendix 2) were: the brand of innovation X, the business network of the Case Company in relation to the concept of co-brand and licensing as the business model of Case Company and its effects on branding.

In the beginning it was necessary to comprehend a mutual definition to what a brand in case of innovation X can mean. The conclusion was made that visual brand is everything the Case Company has made, the appearance of innovation X, its digital and physical advertisements in Internet and shared brochures etc. In turn, the non-visual brand is everything else the viewer conceives and perceives by his or herself in person regarding to the innovation X, including public events in which the innovation has been presented and how the company representative has presented it.

Summary of interview 1: CEO & Founder

The interview with the founder, who is as well the CEO of the Case Company, was arranged in May 10th 2016 in slightly informal occasion via videoconference of two hours. His personal history of branding other products in another company has been driven by the focus on differentiation from the masses and therefore according to him, the current brand of innovation X seems somewhat conservative but relevant to circumstances. He has exceptional imagination to create everything new, commercial or non-commercial. He summarizes the brand of innovation X as a result of strategic partner oriented branding, especially influenced by the multinational manufacturer of the innovation X.

The CEO admits that the Case Company has received an extraordinary brand advantage through the establishment of a strategic alliance with a certain multinational packaging manufacturer. The manufacturer has brought global awareness and credibility for the innovation X, even though the manufacturer has especially underlined its own role which is however entirely understandable in relation to its involvement. The process of manufacturing technology defines the shape and essence of the innovation X, which therefore cannot be modified significantly. However, the current version is a creation of long-term development and refusal of many prototypes. For CEO, the features of being convenient to use, an image of being an affordable premium product and environmental friendliness are the core values of the innovations X's brand in that order. The manufacturer has represented a specific role of able to maintain the ecological feature in the innovation.

According to CEO, the current brand of innovation X is a manufacturer driven and the Case Company's mission is to monitor that manufacturer follows the license agreement that defines the framework for the brand. The old and established packaging manufacturers have a large existing business network and resources to promote the innovation in the economies of scale. The operations for brand promotion by the Case Company are in relation very minimal and a resource driven. However, an important personal assignment of the Case Company is to maintain the product brand as general and modifiable for any possible strategic partners and business customers with diplomatic means, by not to favor for any specific trend or culture etc. By this way the innovation X can benefit from being only a package and therefore suitable for unlimited markets and parent brands.

In future the role of the Case Company in product branding could shift to from manufacturer to the business customer driven, if a production process becomes a standardized procedure. Case Company should focus on monitoring how the business customers promote and advertise the innovation X and the parent brands should have extended permissions to adapt the innovation according to their own brand and local market. For those business customers who do not know how to implement the innovation X with their own brand, the Case Company should provide guidance and generic marketing material to begin with. In addition, buying behavior and perceptions concerning environmental friendliness and premium products are different in Asia than in western cultures. In Europe and America the ecological feature would drive over the feel of premium and in Asia or in developing countries vice versa.

In a theoretical scenario with the owner of the parent brand requesting detailed brand suggestions for the final product, the CEO would wish the brand to evoke the feelings of joy, amusement, playfulness and quality, in order that a consumer would be positively surprised by the perpetual nuisance being finally solved in intelligent manner. However, he believes that at some point the company will find a customer with parent brand that shares the same brand images than his own visions.

Summary of interview 2: Management group representative

Interview of the manager of intellectual property rights was held face-to-face in May 9th 2016. The meeting lasted approximately one and a half hours. He was selected in interview to represent the management group by his exceptional knowledge and professional experience about brand management, both in general yet especially concerning the brand of IPR innovations. His experience is international and includes in-depth legal point of view on branding as well, therefore being able to offer versatile perspectives for branding a licensed innovation.

Asking about the brand of innovation X, the IPR manager underlines the significance of strategic partnership with the multinational packaging manufacturer and how valuable their brand is for innovation X. A question arises instead how the business customers relate and respect the combination of packaging manufacturer’s and innovation X’s brands, and what will be the final form of all three influencers. It is realistic to assume that the parent brand will be the most dominant of all three, but innovation X’s trademark should be included at least to assure consumers about the quality and originality provided. A common assumption is that most consumers do not recognize the manufacturers of consumer packages, which might be strategic brand decision on manufacturers’ behalf. Though the brand of the business customer’s parent product will define the final essence of innovation X’s brand, regardless to manufacturers’ decisions, which is in turn entitled with respect to the largest contribution into eventual marketing and distribution expenses. The most important branding tools of Case Company are the bilateral agreements with included guidance how to display innovation X.

In discussion about Case Company's own branding efforts and marketing methods, the IPR manager remarks the websites and current utilization of social media channels successful and appropriate especially because of their relative affordability and ability to reach consumers and businesses simultaneously. He further underlines how effortlessly social media channels can generate demand in advance. On the contrary, participation in trade affairs and arranged meetings with remote customers, are the most important means of increasing the awareness of innovation X despite the scarcity of resources.

Speaking of licensing the product or its technology, the IPR manager stresses the importance of their synergy. The Case Company's business model is based on licensing a specific IPR including the technology aspect, but the total value and revenue by the innovation X is increased significantly with the contribution of a well-maintained brand. In addition, a strong brand provides substantial protection against patent infringement now and in future.

Summary of interview 3: Board member

Interview with the member of the board of directors was done via emailing in May 11th 2016. Her history amongst branding derives from the entrepreneurship in B2B as well as B2C industries. In addition to board membership, she works as a consultant in international strategic operations for the Case Company. She was selected as an interviewee because of comprehensive experience in professional and consumer businesses as well as with multicultural clientele.

In the board member's opinion, the brand of innovation X is on a very early stage since actually just the investors, few potential business customers and the current manufacturer recognize it and therefore its significance for commerce is minor. A proper strategy for the brand is still under development, yet the websites are nevertheless professionally created and reflect the desired brand values of quality, professionalism and credibility well. Board member hopes that the upcoming marketing material and advertisement films in particularly in the websites about the innovation X will remain businesslike and conventional for business-to-business industry. “Rather too formal than too entertaining” –She commented. Levity might result in lack of professional credibility.

In the discussion of strategic partners and their influence into the brand of innovation X, came up the fact that large manufacturers and business customers are more important than small ones in consequence of the economies of scale, as the Case Company’s business model is dependent on volume based license fees. A large partner brings credibility and superior access into markets. However, a small partner – manufacturer or business customer – may permit flexibility and room for negotiations. At last, the principal determinant is the visibility of innovation X’s trademark, in spite the size of partner. Besides the core of license agreement in the first place is to grant permission to manufacture and sell the innovation X, and the parent brand owner may develop the brand of complete merchandise according to the possibly increased brand value of innovation X. Independent brand management and development are mostly resource-intensive, thus the innovation X may benefit more from generic and simple brand management.

The interview ended in discussion about licensing as a business model. The board member was nonplussed by how unfamiliar the licensing is within the industry. This fact has and in future will require an explanation of licensing for business customers while slowing down the negotiations. The Case Company has however succeeded in creating a rather simple sales article out of innovation X that serves the business customer as well. As the last thing, she mentioned that currently the innovation X does not represent a technology nor it is a pure product, but rather a product concept with ability to progress eventually as a product.

Summary of interview 4: Employee

Interview of another employee was held in October 14th 2016 in a face-to-face meeting, which took approximately two hours. She began as an intern in Case Company at the same time as the author of the thesis, her current position is marketing and sales assistant. She was selected as an interviewee to represent alternative opinions of operative employee level. Her history amongst branding is based on experience in consumer business and digital media marketing.

When asked to describe the current brand of innovation X, she stresses the incompleteness, regardless to parent brand's definitive decisions. Case Company has not made unambiguous decisions about the usage of the innovation x's logo and the visual appearance e.g. what comes into colorization and fonts used in marketing of innovation. However, she recalls the fact that brand of innovation X is challenging to summarize into a specific entity, since the common brand approach of manufacturers is discreet and professional, while the business customers follow a combination of informality and professionalism in their manners. Therefore, the brand of innovation X should be extremely protean to attract conservative as well as the modern customer base.

The employee suggests more explicit division between the brands of Case Company and innovation X. Thus the brand of innovation X would preserve its adaptability, without lessening the credibility of company's imago. Moreover, she believes that as long as company remains rather small the occasional influence by persons outside the company into marketing management will increase the fragmentation. Not that expertise of outsiders would be unnecessary, but versatile advice might lead into prolonged branding decisions. Overall the product brand management is reflected by a focus on operations on the behalf of thorough planning.

In discussion about the network and stakeholders, the employee takes for granted to concentrate on packaging manufacturers and business customers in order to get innovation X into the market. However in consequence of derived demand, the consumers' buying behavior and preferences should be analyzed in order to understand the objectives of company's business customers from foreign cultures in particular. Besides, the decision makers and buyers of business customers can identify with marketing similar to their culture.

While the large business customers have at Case Company's point of view the essential marketing power and volume of sales, first and foremost the smaller parent brand owners could be interested in innovation X. For them, the product differentiation is essential part of rationalizing the higher price asked generally, in comparison to multinationals. Threshold of small companies to participate into new market penetration with new innovation might require less internal policy-making and brand analysis. It is good to take notice as well that their customers typically presume an additional value in exchange of somewhat higher price tag.

The employee thinks the company would benefit from a brand book with clear guidance how to use innovation X's logo, trademark and visual appearance. The book would be provided for all partners and business customers, to ensure coherent brand development. In her opinion, the Case Company should begin with stricter brand guidance with new partners and business customers and then gradually reducing the supervision. Guidance would ease the parent brand's early co-brand operations but also prevent actions unfavorable for innovation X's brand.

The last theme – licensing as a business model – aroused thoughts about how Case Company could save resources by outsourcing brand management for the parent brand. The contrast would naturally be the lack of control in the situations of disagreement. However, subject to the incident, the weak brand of innovation X would evade the possible setbacks of the parent brand with its public unfamiliarity. Speaking of unfamiliarity, the trademark of innovation X is yet unknown for global industry and therefore according to employee the innovation X is rather a licensed concept than a product.

6.1.3 Statement of current brand

As Kotler & Pfoertsch have pointed out, the holistic brand approach is core resources of all companies, therefore interviews were conducted to create a statement of Case Company's current level of holistic branding referring to innovation X. Individual interviews pointed out how the brand can be seen from different perspectives according to person's position and previous experience. Questions of theme interview were interpreted differently by each interviewee, which led to a successful diversity of responses, including few unexpected results.

Even though the brand was analyzed using slightly different methodologies between participant-observation and interviews, the perceptions and findings are comparable. From the beginning, it became certain that innovation X's brand is versatile and remains under continuous development. Appearance of the visual brand such as the Case Company's websites, content in social media channels and advertisement in general are considered primarily to appeal to the viewer's emotions, rather than rational thoughts. Unfortunately, the limited budget is considered the major challenge for advertising in general, excluding the previous digital platforms. Albeit the interviews supported the findings of participant-observation of how businesslike the context is despite the visual execution typical for consumer brands. Inconsistency of advertisement material is considered acceptable and part of brand's diversity feature and role of being a generic secondary brand suitable for modern as well as conservative parent brands. All the interviewees admitted that the current multinational license manufacturer has great influence into the brand of innovation X.

Rallying points between participant-observation and interviews were the significance of trademark and its visibility in the becoming final product. The logo and the name of innovation X are descriptive and distinguishable, which are major requirements in a path to become a recognizable reference brand. While the management representatives stressed the importance of license agreement in trademark visibility, the employee's vision about the brand book was unexpected yet great suggestion for further action.

One thing, which did not receive attention during interviews, was absent of the specific slogan. The most likely reason is that the slogan could not fit next with the trademark in the final product's design. On the other hand, respondents' mutual opinion about the Case Company licensing a technology or product concept rather than a pure product, highlights the redundancy to strengthen the brand with an individual slogan.

In general we can state that company representatives share mutual comprehension what the brand of innovation X is and how it could be maintained and developed. The current brand is a result of resource driven development, and therefore it has remained partly unfinished and unknown. Although the brand is primarily addressed for the businesses and professionals, it appeals emotional decision-making through offering an ideological solution. Simultaneously the greatest advantage and challenge of innovation X's brand are its cultural and contextual adaptability through ambiguity.

6.2 Branding alternatives for innovation X

It is relevant to resemble that the innovation X is not a single entity and thus always requires another essential product along to become complete merchandise. Now and in future, the innovation X's brand will be in any event result of the acts and perceptions of all the stakeholders: the Case Company, manufacturers, business customers, distributors, consumers etc. Hence the brand management and responsibilities of the final product are shared at certain extent with the strategic partners and business customers.

Since the innovation X is the Case Company's first commercial merchandise the traditional leverage tools; line extension and brand stretching are not exclusive options for co-branding, as they require a previously established brand to exploit. In future, after the innovation X has settled on the market, the line extension with a new co-branded product would be a significant method to use innovation X's concept for slightly different purposes, by for example modifying the package to suit different contents. However in consequence of the business model of licensing it seems very unlikely that the Case Company would begin to manufacture and sell the ultimate final product and therefore mere brand extensions without co-branding would not be realistic alternatives. After all, the final product is a combination of innovation X made by the branded materials of strategic partners and then provided for the business customers' brands as a package.

Brand stretching with a co-brand in the distant future is neither completely ruled out, since nothing prevents the Case Company from providing innovation X for slightly different purpose and industry than it currently stands for and exists. Just as demonstrated in Chapter 4.3, a boat floating invention can serve multiple industries with the same patent. The stretching would, however, require changing the strongly related product brand identity and therefore benefits of brand equity would not be guaranteed. In the perspective of the Case Company's corporation brand identity, the brand stretching could be utilized through the establishment of new parent company specialized in the acquisitions of licensed innovations and their patents, including the innovation X.

6.2.1 Co-branding the innovation X

Co-branding the innovation X in practice would mean in depth strategic planning and implementation together with the packaging manufacturer and/or future content provider, in this case, the business customer. The only viable option for a bilateral alliance would be the product-based co-branding, since as in Chapter 5.4 was pointed out the communications-based co-branding alone does not fill the requirements for branding a supplementary component. For the same reason, other members in Case Company's business network, such as distributors and institutions cannot form a bilateral co-brand with innovation X. A co-brand combination of the business customer, distributor and Case Company all together is however viable. In any case, the product-based co-branding is not an unambiguous option, since alliances with manufacturers and business customers would offer different benefits and challenges.

Manufacturer co-brand

The current brand of innovation X has the traits of manufacturer co-branding although the brand alliance is not official nor includes any specific strategies. Anyway, a formalized manufacturer co-brand would strengthen the B2B orientation with increased focus on material and technical advantages. In practice co-brand would combine the specific brand of the used material and the innovation X. The main target group for such co-brand would be the business customers, but presumably not the consumer audience. The substantial benefits of large manufacturer co-brand would be increased awareness and reliability within the industry, in addition to possible access into manufacturers contact network. Referring to Washburn, Till & Priluck's research, a co-brand with unknown or small manufacturer would likely result as well in increased appreciation but in relatively lesser extent. Every manufacturer co-brand alliance would enable and probably highly encourage into a manufacturer oriented product development.

The manufacturer co-brand would not necessarily require mandatory changes in Case Company’s own branding operations. The Case Company could continue with its current marketing tools and methods, but involve the manufacturer’s brand attributes in brand communication. A hazard could emerge if Case Company’s own brand communication in its websites and social media would not meet the preferences of the co-brand partner at all. In the best-case scenario however the Case Company could receive assistance and extra resources to boost marketing on its own. With an SME manufacturer, the assistance could be for example information concerning local adaptations.

In the situation of multiple manufacturer co-brands, constant participation or at least supervision of brand management would be necessary. The innovation X would, however, receive extraordinary advantage through several local adaptations. The most likely hazard would emerge if two or several rival manufacturers would begin to compete for the same business customers in the same market. Another potential local threat would arise from the contradictory co-brand communications by rival manufacturers. The most essential method of avoiding any threats in co-branding is proper partner selection, as pointed out in Chapter 4.3. In the event of brand conflict, a solution could be a particularly strong co-brand relationship with the largest and most experienced manufacturer and persuade the smaller ones to follow similar manners, taking adaptations into account of course.

Regarding to the options of the parent / secondary and parallel branding, the relationship with a manufacturer would be any kind of and more dependent on the demonstrator. In other words, in partners’ brand communications the manufacturer would undoubtedly highlight their own brand and attributions and Case Company its own, despite the actual agreement. Fixed marketing material would add the coherence but its development would require the allocation of resources and dedication from both sides. In addition, all options would require bilateral supervision, especially in case of the unequal breakdown of costs.

Business customer co-brand

Business customer co-branding would bring B2C orientation into the brand of the innovation X. If the innovation X would be attached to the well-known business customer's marketing program the result could be exceptional consumer awareness, despite the expected brand visibility to be limited mostly into a trademark in the final product label and reference in advertisement materials. The business customer could share their market information concerning consumption habits, trends, demographics etc. to assist further adaption into new and existing markets. If the co-brand market entry would turn out as a successful reference brand, the other potential business customers could become interested in licensing the innovation X as well.

A co-brand with a business customer would require crucial decision-making in the brand communication of innovation X. Several details should be agreed such as how, and in what context the companies may promote the brand of partner. In addition, the costs and used resources should be agreed. One major hazard would emerge by a strong relationship and united brand communication looking like a joint venture in the eyes of consumers, as similar packages to innovation X are not typically branded. The selection of first reference co-brand partner is therefore a significant process that would define the brand of innovation X at least in specific a market. Of course, relatively small or medium size local business customer co-brand would not have substantial impact on foreign markets, but a multinational substitute would define the brand essence for a long period of time.

The brand relationship of innovation X would in principle be a parent – secondary, yet not straightforwardly since consumers acquire the product for its content, but the minor deal breaker might be the additional features of the secondary, innovation X's brand. Especially at the beginning of market penetration the innovation X would represent no doubt the weaker and lesser-known brand, but in case of successful entry an opportunity might occur with unknown "traditional parent brand" to benefit a co-branding as a parallel or even as a secondary brand for innovation X. Such scenarios are just speculations, but entirely possible in case of content the provider being able to supply a niche market, for instance an airline catering, only with the assistance of innovation X.

Value transition within co-brand partners

The reciprocal brand relationship affects into the transition of brand equities, where the innovation X would benefit primarily high brand appreciation shared by a strong parent brand. It is however essential to stress the importance of market penetration with a particularly strong parent brand, since consumers tend to associate the final product by the stronger or self-evident brand and market entry can be done properly only once. The opposite configuration in which innovation X would represent the high equity brand with strong public perception is not an alternative before the establishment.

Co-branding dimensions of innovation X

In reference to Leuthesser, Kohli & Suri’s co-branding division in Chapter 5.4, the first dimension – absolute complement co-brand in existing markets – does not apply since the innovation X is the pioneer creating the markets. At some point, the rival co-brands in future will be instead the absolute complement brands for existing markets. The third and fourth dimensions – extensively complement co-brand for existing and new markets – are not linear options either, since they are based on extending a good brand perception for another recognized brand, which innovation X is still missing. (Leuthesser, Kohli & Suri 2003, 41.) The remaining option is the second dimension – the absolute complementary co-brand for new markets –, which describes the situation excellently, because the innovation X requires co-brand to create the new markets. If innovation X becomes later on a successful and recognized, a hybrid combination with second and third dimensions will be an option, in which manufacturers or business customers would become interested in the brand value of innovation X.

6.2.2 Ingredient co-branding the innovation X

Ingredient co-branding strategy addressed for designated key members in supply chain, including consumers, would give the Case Company a great possibility to manage the brand identity of innovation X independently, while not being absolutely depended for the actions or opinions of manufacturers or business customers. In addition, the brand communication would remain entirely coherent. The ingredient co-branding would represent no doubt the supplier-oriented approach since the Case Company is offering the innovation to be licensed. Yet again, in future if innovation X becomes recognized with great brand value, the manufacturer orientation might become an alternative.

The proper and large-scale ingredient co-branding would require relatively much resources and brand management skills from the Case Company, which remains very limited. However, referring to the research of the current brand, the Case Company has been utilizing the very basic essence of guerilla marketing in brand communications by contacting directly with managers and decision-makers rather than exploiting the means of B2B mass-marketing. This has been possible on account of exceptional social capital of the sales force. In addition, the visual context of websites, social media and advertisement material being addressed as well for professionals and consumers, speaks the behalf of unintentional ingredient co-branding.

Speaking of Case Company's current vertical brand communication, the posts in Facebook have divided appropriately according to ingredient co-branding by a ratio of 64 per cent addressed for professionals directly and rest 36 per cent for consumers as well. The ratio however includes a distortion, since Facebook posts about investment information are counted as professional communication but are not relevant to manufacturer or business customers. Balancing factors are that investment information was amongst the least popular and pictures with image marketing amongst the most popular posts.

Question arises what the innovation X's ingredient co-brand communication could be in practice. A key benefit in current generic manner of branding is, that it does not insult anybody, but instead might seem somewhat dull and maybe too conservative for a unique and modern innovation. However, as stated before, the customers and partners of Case Company represent both modern and conservative businesses, hence individually personalized marketing material would hit the target.

Target groups of ingredient co-branding

Previously, in comparison of ingredient co-branding based on vertical target groups (Figure 2), focusing only on manufacturers would mean in practice that innovation X is the key factor to get inside an industry otherwise beyond their reach. Then again, more or less than a half of the recognized manufacturers by the Case Company are already inside the exact food packaging industry, and for them the innovation X would be just an alternative development milestone.

The next possible target group would be business customers with their parent brands. For them, the innovation X would mean especially a development milestone. With innovation X, they would differentiate in highly competitive markets, but the pull effect would be questionable. In other words, in the situation of mere focus on business customers, the only pull effect would be addressed on manufacturers who would anyway produce the innovation X if requested to. Of course the wariest manufacturers could come along more easily with pull from business customers, with large guaranteed fixed pre-orders for instance.

Last professional target group, the retailers and distributors would benefit innovation X differently than others. Especially the catering sector very likely would demand the ingredient from parent brands, since they would benefit the most of innovation X's features. At the end of supply chain, the consumers hold the most powerful pull effect in derived demand. Direct ingredient co-brand communication with consumers would affect positively into the whole value network of Case Company. At the end it is important to notice, that ingredient co-branding regardless of the target would require Case Company to provide a target oriented customer service at least in certain extent.

6.3 Comparison of branding alternatives

From the Case Company's view, the essential divergence between co-branding and ingredient co-branding is the independency of brand management. In case of mere co-branding, the innovation X's brand communication and management would be shared among many participants such as manufacturers and business customers. Instead, the ingredient co-branding would permit more sovereign brand management and decision-making because of the creation of direct touch points with each stage of supply chain and consumers.

Manufacturer co-brand would be easier to utilize than business customer co-brand in consequence of existing partnership. In comparison, the ingredient co-branding within online marketing is implemented already as well. Business customer co-brand needs most effort to start, since customers require more than prototype to even think about co-branding anything. However, to instead formalize and deepen the manufacturer co-brand, the Case Company should make a suggestion of co-brand marketing strategy and decide how large extent to use resources. Ingredient co-branding with online marketing in particular would then be much faster to go on with, but possibly much less effective as well. Nevertheless, it is good to remember the current state and success of the guerilla marketing approach.

Co-brand expectations

In comparison of what to expect of different alternatives, the ingredient co-branding with its pull effect would be significant and well scalable in future. It could be addressed by turns for distinct parts of supply chain, always according to prevailing situation, with precision and appealing manner. Manufacturer co-branding on the contrary would offer the traditional B2B benefits of greater awareness and contacts within industry, which however would be affected by a gradual inefficiency in consequence of maximum increased brand recognition. At some point, the manufacturer co-brand would end up providing mainly credibility within industry.

The expected results of possible business customer co-brand would be subject to a specific counterpart. Multinational parent brands would probably encourage another companies to implement innovation X as well. The smaller parent brands could instead work as important references in the beginning, and Case Company could gain important first-hand information about how different co-branding adaptations prosper. All business customer co-brands could bring substantial consumer orientation into innovation X's brand development.

Co-brands' pull effects

In summary of co-brands' abilities to create derived demand, the manufacturers being first in supply chain prevents such benefits from them entirely. The business customer co-brands could create the pull effect in moderation like explained previously.

Distributors, and caterings in particular have significant pull effect in consequence of immediate contact with consumers. Even though co-branding with retailers seems now a distant idea, in the future after a decrease in manufacturing costs, they would very well require innovation X to be implemented into their private label brands after the derived demand by consumers. After all, we can acknowledge that pull effect increases while moving on supply chain towards the consumer, since their demand echoes for the whole industry.

Co-brand expenses

When comparing the potential expenses of all three co-brands, the ingredient co-brand is the most cost-effective in a small scale because of the inexpensive means of online and guerilla marketing. The expenses will, however, increase drastically when beginning to address the consumers in general or businesses in a large scale, which decreases the ingredient co-branding's superiority. In addition, the ingredient co-branding requires the Case Company to acquire knowledge, skills and resources by itself to implement the method in any scale, and nothing proves that large-scale ingredient co-branding would hit the target audience at all.

The estimated expenses of manufacturer co-branding are dependent by bilateral agreements with each manufacturer. Therefore it is challenging to estimate how much resources the manufacturers would like to spend and how. In any event, the expenses could be agreed according to prevailing situation and expectations. Some manufacturers could for example offer free brand visibility for innovation X in exchange to beneficial license agreement, and in the other hand, some manufacturer would very well suggest paying all the marketing expenses in order to accelerate the market penetration and receiving of revenues.

The business customer co-branding would probably be the least expensive practice for Case Company, since multinational business customers have typically very large marketing capabilities and knowhow. Even the medium size parent brands have at least skills and experience about marketing for public audience despite the resources. All sizes, but especially the smaller ones would probably request guidance and basic material from Case Company, which could be provided accordingly, to prevailing situation and resources.

6.4 Brand recommendations

The first and most important question to be answered is whether to brand the innovation X not. It is difficult to for small company to brand similar invention in a global scale. The answer is simply yes it should be. Without a brand, potential licensees cannot recognize and find Case Company, or another company might claim its product copy as the “original” one and therefore steal customers of Case Company. Hence, why waste the excellent benefits of brand visibility when the innovation X must be anyway a part of someone’s brand to exist at all. Besides, the trademark of innovation X is international and simple.

Before the presentation of recommendations it is essential to knowledge that the current brand was not impacted by substantial changes during the research. Nevertheless to make sure, before applying the recommendations and other research findings in future, the current essence of innovation X’s brand must be compared well together with what the brand was during this research in 2016. Total of five recommendations were summarized, which are not in chronological order and must be considered as separate proposals.

1st recommendation: The best co-brand alternative

As a solution into issue what co-brand strategies suits best for innovation X, the answer is proportional since the brand building is a long-term assignment without definitive resolution. Co-branding and ingredient co-branding in general include similarities, positive features and challenges depending on prevailing resources, timing, strategy and implementation. Therefore, the options should be considered always as complementary for each other’s.

Based on research findings, first recommendation is to estimate and decide how much the Case Company is willing at the moment to put resources, especially time into the brand development of innovation X and what are the expectations. This evaluation sets the margins for conceivable operations.

At the moment in the fall 2016, the most cost-efficient and hereby the best co-brand alternative would definitely be the business customer co-branding with a strong multinational parent brand. First of all, such partner could share its high brand equity and secondly, guarantee the highest global brand visibility with least requirements from the Case Company. The co-brand would in addition generate efficient pull for manufacturers. A multinational parent brand would probably define the innovation X's brand essence in spite of simultaneous trivial ingredient co-branding efforts, and therefore Case Company should focus on close collaboration with the business customer, also for learning purposes.

2nd recommendation: The essences of co-brands

The second recommendation for the Case Company is to evaluate the essences of possible co-brands of most potential manufacturers, in order to recognize what kind of combinations innovation X and manufacturer's brands would emerge. Thereafter, a similar evaluation could be done with the most potential parent brands' for the same reason. This kind of brainstorming would inspire the Case Company in the creation of future co-brands as well as an individual ingredient co-brand. Such planning would help the brand of innovation X to become more customer and consumer oriented, as well as to adapt to local cultures. Despite the realized license agreements, the "imaginary" co-brand entities created in vain would be used as a base for the future ones.

3rd recommendation: Brand division

The third recommendation originates from the interview of the employee. Currently the brands of Case Company and innovation X are very identical in general, which is partly important to maintain correspondence but includes a great chance to mix them with each other. Even the names are very similar and are both descriptive. Therefore, to allow more flexibility and adaptability into product brand management, the brand communications should be more divided. First practical action to consider is an establishment of separate website domains for Case Company and innovation X, or keep one domain, but make small detailed changes into brand essences such as colorization and website layout to indicate which one is which.

4th recommendation: Brand in social media

Recommendation number four is related to third one, with focus on social media branding. The Case Company should establish and maintain social media channels merely for the innovation X, which content would be dedicated for the product related information and advertisement. Such channels could be for instance Facebook, Twitter, Reddit, Instagram and their local adaptations like Chinese Sina Weibo. (Koetse 2016.) Content creation and representation could be managed officially, in person or anonymously depending on marketing purpose.

In addition, with separate social media product brand channels the references made by the co-brands of Case Company, the public press and other institutions would be addressed into the correct social media site, either Case Company's or the one about innovation X. In future the social media site of Case Company would be dedicated mainly for investment-, shareholder-, partnership- and other official communication. Lastly, an interesting tip for the Case Company is that nothing prevents it establishing an unofficial social media "fan" groups in order to try out the radical means of guerilla marketing.

5th recommendation: Website traffic analysis

Fifth recommendation is simple solution how to increase the targeting of ingredient co-brand and simultaneously gather customer information for co-brand purposes as well. Accordingly, the company websites could include a partition with translated marketing material. The material could be in downloadable file format, separate hyperlinks or similar, in order that a visitor should select a material by language and Google Analytics would show us the most chosen ones. Thereafter the Case Company would prioritize the visitors by their preferred languages and manage the material accordingly. It is a fact that Google Analytics can tell currently where the visitor is located and what language his or her computer is using, but possibility is that lots of visitors use English operating systems abroad that distorts the current statistics. At the moment, separate translated marketing materials would become more affordable and convenient to keep updated than whole website translations.

7 CONCLUSION

The reason to conduct an in-depth analysis of the branding alternatives of a licensing company was in consequence of unique essences of Case Company's business model and innovation X in particular. The innovation X's brand essence is in fact so versatile that author had challenges to internalize it while beginning to work for Case Company. According to Case Company's own conception, the development and especially branding a similar concept than innovation X is very uncommon. In addition, licensing the innovation X, rather than selling its patents for the highest bidder in the market, is an exceptional revenue model within the particular industry. Therefore Case Company was very interested to study what kind of opportunities the different co-branding alternatives could provide.

In the spring of 2016 external issues caused major challenges to the market entry process of innovation X, and therefore the author had to shift focus from the thesis into more relevant work assignments. Fortunately, in the fall of 2016, the status of company settled down as operations were slightly postponed, which offered a great opportunity to finish the research ready for the second market entry try out at the beginning of 2017.

In conclusion, the results of this thesis were expected to be simpler and more straightforward. The divergence and selection between the co-branding and ingredient co-branding emerged to be non-exclusive in the licensing business of a small company. As important as deciding about the brand strategy is to evaluate the ability of company to adapt to changing situations in short and long-term. In addition, the relative superiority of co-branding alternatives according to short-term brand development in general was slightly overestimated and Case Company should instead focus on their alternating utilization. All in all the research offered much more diverse information than what was expected in the beginning. In addition to the submitted results of the thesis, the Case Company was given lots of secondary findings, which could not be included in this thesis because of their confidential nature. The thesis and secondary findings however provide an excellent framework for further research regarding to the brand development of Case Company itself and its future innovations.

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EMPIRICAL RESEARCH MATERIAL

Interview 1. CEO & Founder of the Case Company. Online communication via videoconference. 10.05.2016. Interviewer Tommy Hämäläinen.

Interview 2. Management group representative of the Case Company. Personal meeting in Helsinki, Finland. 09.05.2016. Interviewer Tommy Hämäläinen.

Interview 3. Board member of the Case Company. Online communication via email exchange. 11.05.2016. Interviewer Tommy Hämäläinen.

Interview 4. Employee of the Case Company. Personal meeting in Tampere, Finland. 14.10.2016. Interviewer Tommy Hämäläinen.

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APPENDIX 2

THEME INTERVIEW

Brand, stakeholders and network related to Innovation X.

Interviewer: ______________________________________

Location and Date: _________________________________

Duration: ____

Interviewee's position or relation with the Case Company:

____

Brand

1. How would you describe the brand of company's innovation X? Visible (e.g. advertisement) and abstract (e.g. conceptions)?
2. How satisfied are you with the current brand of innovation X?
3. How would you describe the company's branding efforts in general concerning the innovation X?

Network

1. Who are the most important stakeholders? Why?
2. Does the size of strategic partner/business customer matter? Which one would you prefer, several small or few large strategic partners/business customers? Reasoning?
3. What is your attitude towards co-operation with strategic partners in brand management of innovation X?

Licensing

1. Does the company license its technology or the product? What about in future?
2. What benefits and challenges licensing carries for innovation X's brand?