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Branding in senior care home services in China and Finland

Comparative case study in private sector

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ABSTRACT

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The objective of this thesis was to study how the private sector senior care home services are branded and how significant the care homes see the brand building. In addition, my objective was to study differences in service branding between China and Finland from the thesis topic's point of view. The case companies of the study were a senior care home company Le Amor Senior Living operating in China and Company F (pseudonym) operating in Finland.

The data for this qualitative comparative case study was gathered by conducting semi-structured open-ended email questionnaire interviews with managers of the case companies. In addition, the research method was complemented by the writer's own observations in the Chinese case company. The theoretical framework of the study draws from service branding and employee branding theories with modifications of senior care home services approach. Furthermore, the theoretical framework of the study is based on comparisons of cultural dissimilarities in Chinese and Finnish branding processes.

The results of the research provide several insights into the branding process and brand thinking in the two case companies representing different cultural environments. Deriving from the findings from the two case companies, the study results indicate that the brand building and management methods in the Chinese and Finnish senior care home services do not have extensive differences. The long-term nature of senior care home service relationship makes it a special case in the service sector business. Furthermore, the study results indicate that the importance of the brand internalization of the company's personnel, the service quality consistency and constant development needs are to be emphasised.

Keywords: brands, service branding, employee branding, senior services, cultural differences.

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1 INTRODUCTION

When choosing the topic for my thesis I decided to make the most of those experiences that I gained while doing my internship period in China. In summer 2009 I was working in a private sector luxury senior care home in Beijing. While working in this newly established company, I noticed how eager the owners of the company were, right in the beginning, to build their business on the bases of branding. The company has a clear vision of making itself well known in China and has an idea to build a chain of at least 50 similar care homes in the biggest cities there. The company owners have been influenced and inspired by one famous American senior service chain business model and have applied it to their needs in accordance with their own business models. During my three months' internship period I started to wonder how these services are marketed in Finland and if the private sector senior care homes in Finland have similar kind of ambitious aims and plans to brand their operations. Even though the management of this Chinese senior care home agreed to participate in my thesis as a research object and to provide information about their company branding, this thesis has not been made under a contract assignment.

The silver industry, the business sector, in which companies focus on designing, manufacturing and marketing products and services especially for the elderly people, is a growing business in many countries (Chang 2008; MacFedries 2009). In my thesis I study silver industry from the point of view of a senior care home branding and related services. In Finland and in China there are a growing number of people getting old. In the future an increasing number of people are getting retired and living longer retired lives, since life expectancy is growing throughout the world. In Finland life expectancy at the birth in 2009 for total population was 78.97 years and in China 73.47. (CIA 2009.) Ageing of the population is causing a growing problem in the world and the main problem is where to find enough care home places for these active and healthy seniors, who will live longer and want more activities and services than before. At the moment, most silver marketing strategies are focusing on so called 'rich and young-at-heart' seniors, whereas 'poor and week-of-limb' seniors are forgotten. It is estimated that actually the group of poor income seniors' amount might increase during the next decades. In the future one of the most important senior market groups might be the one whose financial and health situation is not favourable. The senior service companies

should not exclude these customers, because their amount might overtake the ‘rich and young-at-heart group’ and there lies a fortune for the right kind of business ideas. The silver market phenomenon as it is presently called will create opportunities for business but also for innovations, inventions, social response and responsibilities. (Herstatt & Kohlbacher 2008, 496-497.)

1.1 Motivation for branding in private sector senior care home services

In this subchapter, I present the facts to support my argument, why the private sector senior care home service companies should be motivated to initiate marketing and branding efforts as soon as possible. The facts are presented with the literature, article, research and statistical data references. Hopefully, the presented information will also works as a motivation for the development of marketing and branding in companies in which these operations have already started.

The private sector senior care services industry has good future prospects in China as well as in Finland. According to the Information Office of the State Council, the amount of senior citizens aged over 60 reached the limit of 144 million persons in China in 2005. It corresponded the 11 % of China’s total population and is equivalent to the aged population of the whole of Europe. In 2010, the number of senior citizens in China reached the limit of 167 million persons, i.e. about 12.5 % of the total population. It is estimated that there will be over 216 million senior citizens, i.e. over 60-year old, in 2015. (He 2011.) In the future, this will increase even more higher since, according to estimation, the number of people older than 60 will reach the total of 450 million by 2050 (Cai, Xiao 2011). When comparing the number of retired citizens between China and Europe, it is good to notice that these amounts are not directly proportional since in China the mandatory retirement age for women is 55 and 60 for men. (De Mente 2004, 82; Duan 2010; Mattimore 2011).

The monetary value of the services needed by the senior citizens will continue to grow in the future in China as well as in the world. According to marketing material of Le Amor Senior Living, which is based on Chinese government statistic, the monetary value of domestic demand for the senior services was estimated to be between 400 to

600 billion yuan in 2006 and about 600 billion yuan in 2008. It was expected to reach as high as one trillion yuan until the year 2010. However, the monetary value of the available products and services is only about the 100 billion yuan annually, therefore, there is plenty of potential between the supply and demand. (People's Daily Online 2006; Le Amor 2009a.) It is estimated that the gross demand of the aging population will increase to five trillion yuan by 2050, while at present the gross demand is approximately one trillion yuan (People's Daily Online 2010).

In Finland the number of senior citizens is expected to exceed 1.6 million people limit by 2040, which means that 26.9 % of the population is over 65 years of age (Statistics Finland 2009). Kuntaliitto, i.e. the Association of Finnish Local and Regional Authorities, has estimated that in 2012 around 91% to 92% of seniors over 75 years of age are living at their own homes independently or under the help of social and health services. Around 13% to 14 % will receive regular home care, from 5% to 6% will receive family care support, from 5% to 6% will live in intensified senior living services, and 3% will live in nursing homes or long-term care in health-care centre ward. (Hynynen 2010.) The living of elderly, i.e. those persons over 75 years of age, is planned to be developed in such a way that the number of long-term institutional care places in wards and nursing homes will be reduced. The nursing homes could be renovated to be as supported living facilities or senior care homes as they are sometimes called nowadays. It is also discussed and some scenarios made, how long and how it could be possible to support home living or if there only will be demand for the intensified supported living in the future. Furthermore, already in the near future, to increase the number of so called senior apartment housing facilities and to develop the services attached to them, could be the best solution for the customers in good condition in Finnish senior living business. (Andersson 2007, 19-21; Hynynen 2010.)

In 2025, according to the Population Projection of Statistics Finland, there will be over 1.4 million persons who are over 65 and over 0.73 million persons will have reached the age of over 75 in Finland. In same year the entire population is estimated to total 5,752,572 persons. (Statistics Finland 2011.) These statistics reveals the fact that in future the demand for senior and elderly services is dramatically increasing in Finland. Until the year 2025, the most wanted form of senior care is regular home care. Even though the demand for intensified supported living is increasing, the demand for regular

home care is more than double of that and if taken in to account the demand for all home based care services, it will be three times more than the demand for intensified supported living. Consequently, the tendency of future senior and elderly care is not towards institutional care concepts. Seniors want to live in their own homes for as long as it is possible and national guidelines also support the primacy of living at home. (Andersson 2007, 19-21; Hynynen 2010.)

Based on the facts presented, the private senior care service housing is a growing business sector, and also possible to make very profitable, especially in China. According to white paper published in 2006, the State Council Information Office announced that the government has plans to encouragement of social resources for the senior care institutions such as: state-build and privately run, privately operated with government support, government subsidy and services purchased by government. These discussed encouragements of social resources would be for example tax exemptions and financial incentives. The purpose for these incentives, what the governments at different levels have formulated, is to encourage more private investments in senior care facilities, since only 0.8 % of China's total aging population is accommodated in the existing system. (Flaherty & Liu & Ding & Dong & Ding & Li & Xiao 2007.) As can be seen here the private sector senior care services are a new phenomenon in China and therefore it has a huge potential of growth. Furthermore, it is noticeable, from the above discussed administrative forms of senior care homes that the Chinese government still has strong control over this business sector. The government is involved in some form in every possible scenario. In Finland, the current forms of senior care services will experience a major change in the next few years. The standard service care housing facilities and services are not needed in the future as widely as today and several service providers in this sector are forced to consider their strategic business areas from a new point of view.

It is important to take in to account that silver market is not a homogenous market segment. This so called 50-plus market covers a wide range of customers with various kinds of needs, values, attitudes and wants. The silver market actually consists of various different silver markets and it is also crucial to notice that silver market is not only restricted to silver generation, and therefore marketers should think trans-generationally and not only to concentrate on age segmentation. (Herstatt & Kohlbacher

2008, 495-496.) China is aging in the next few decades so much and fast that in spite of China's great and rapid economic growth, the country will get old before it gets rich. Therefore, in the future there is a need for increasingly diverse services for seniors and elderly and especially from the private sector operators. (Jakobson 2005, 66.)

Based on these prospects and facts, it is important to think how to meet these demands, caused by the changes in near future societies. The corollary of these prospects is the fact that more customers will be available and competition for customers is intensifying and growing rapidly. In Finland as well as in China, it is high time to think about what kind of marketing, brand building and brand management efforts are needed in private sector senior care home companies to attract seniors and gain a competitive advantage against competitors.

1.2 Objectives, research questions and delimitations of thesis

The objective of this thesis is to study how the private sector senior care home services are branded and how significant the care homes see the brand building. If a private sector senior care home has a brand position or if it is recognised as a brand, it can be as one of the most important competitive tools to win the competition for constantly growing amounts of customers. In my research I compare the services offered and methods used between each other and also what methods private sector senior care home companies are using to brand their services and company. The compared case companies are a senior care home company Le Amor Senior Living operating in China and Company F (pseudonym) operating in Finland. In addition, my objective is to study differences in service branding between China and Finland from the thesis topic's point of view. Therefore, practically the theoretical part of my thesis concentrates on discussing branding, brand building and brand managing in the context of senior care home services and from the case companies' point of view. It is obvious that I must, in the theoretical part, also deal at some level with the cultural differences and management culture in the context mentioned previously.

In my thesis the objective is to find answers to the following four research questions

- 1) How is the private sector senior care home service brand built and managed?
- 2) How do the Chinese and Finnish service brand building and brand management methods differ from each other?
- 3) What kind of added value do the companies try to create for their customers by branding their services and offerings?
- 4) What kind of competitive advantage does the branding give to these companies or does it?

The general aim of my work is to give the Finnish and Chinese private sector senior care home service companies suggestions to think about why and how to market their services in the future. It is common knowledge that at the moment, a majority of Finnish seniors want to live in their own homes as long as it is possible.

1.3 Concepts of senior citizen from the point of view of branding

The concept of 'senior' is an accepted shortened version of a senior citizen. The concept of senior seems to be a preferable term in general to the concepts of 'mature adult', 'elderly' or 'aged'. This is merely because of the age when a person is considered to be a senior or mature adult has dropped over the second part of the last century. A person over 45 of age can today be referred to as a senior at some level, but it would be quite strange to refer to a person of this age as aged or even elderly. What defines a senior is largely subjective. For marketing purposes, and at the same time for branding purposes, today it is common to label as seniors all those who are 55 or older. This is also a cultural point of view. In some countries a person aged 55 is considered as a pre-retiree and early retiree whereas in some countries a person at the age of 60 or over is considered to belong to this group. One possibility to define who is a senior is to define a person who has retired as a senior. As it is obvious, it is not an easy task to define who can be considered to be a senior. One of the difficulties to make a marketing or branding strategy for products or services for seniors is caused by these different conceptions or definitions. Because of this ambiguity in definitions, the marketing and branding segment seniors are not a homogeneous group of same kind of persons. Different age groups of seniors have different needs, which mean that marketers need to divide

seniors in various age groups. Market segmentation can be set into ten-year sub-groupings starting from the age of 55 and going up to the age of 85 and over. (Walker 2004, 7-15.)

A new term to define elderly persons was introduced in Japan at the beginning of the 1970's. In 1973, on Respect for the Elderly Day, the Japanese National Railroad introduced 'silver seats' for silver-haired seniors and consequently silver markets were born and started emerging. Also in the early 1970's, Americans introduced a new term to describe senior citizens while the American organization Gray Panthers was established. However, the adjective gray in this context conveys the meaning of feebleness and mediocre whereas the noun panthers had a connotation of aggressiveness and it was related to Black Panthers, African-American revolutionary leftist organization. On the one hand and contrasted to the notion of Gray Panthers, the word silver has only positive connotations. (Coulmas 2008, v-vi.) According to Japanese descriptions of cohorts, the silver generation refers to those aged 60 or older (Yamashita & Nakamura 2008, 221).

1.4 Case companies

For this thesis I compared two private sector senior care home companies, one from China and one from Finland. Since the name of the Finnish company is not allowed to be published in this thesis, the company will be called as Company F and in this section its presentation will be limited to the few lines and to some basic information only. The Chinese company, Ài Mù Jīā in pinyin transliteration meaning 'Love Twilight Home', uses two official English versions of its original Chinese name. The shorter version is Le Amor and the longer one is Le Amor Senior Living. In this subchapter the company will be presented by using its longer official English name, i.e. Le Amor Senior Living.

Le Amor Senior Living is a privately owned company located in Haidian District Beijing very close by the Fragrant Hills. Le Amor Senior Living senior care home was a dream of one broadminded person, Ms. Yao, who is a founder and the president of the Beijing Le Amor Senior Living limited liability company. In 1994, Ms. Yao graduated from Dalian University with a doctorate degree, worked in IT companies engaged in

planning and sales. Soon she became a foreign company's vice president of sales in China. However since she had a dream to set up homes for the elderly and a strong need to implement it, in order to succeed in her mission, she decided to resign from her post. In order to gain experience in this new business line, she went abroad to study nursing home business. During this time she visited dozens of retirement institutions only in the United States and even worked as a volunteer in some nursing homes. By seeing and hearing how strong contrast there is between foreign and domestic elderly home living standards, she was surprised, but that also strengthened her decision to establish a private senior care home chain in China. Her goal is to build the best nursing homes in China. (Fang 2010.)

The fact was that in the current investment environment situation in 2007 the domestic retirement industry could not meet the need. Ms. Yao tried to look for investors, but she found out that some domestic investors tend to want to see short-term benefits only. Fortunately she found several foreign venture capital institutions to support her plan and they expressed a strong interest in it, but also her passion for introducing a lot of experienced foreign management styles. The designing and construction project started in October 2007 and was finished at the end of March 2009. The flagship nursing home was opened up in April 2009 in Beijing. (Fang 2010.) There are 155 rooms with 300 beds in Beijing Le Amor Senior Living care home. The company employs 50 persons. (Le Amor 2009a.)

Le Amor Senior Living care homes is a chain institution providing services to the seniors. It is founded by an overseas investment group with abundant love of and appreciation to the elders. Le Amor Senior Living care homes is committed to forge a recognized brand in China's retirement services sector with an aim of make it a well-recognized brand, and increase the number of retirement homes up to 50. The main marketing area is at the moment in China and the Beijing area. The aim is to widen the markets to other Chinese cities as well as also to reach international customers. Le Amor describes itself as an "international company with the principle of 'love' and 'embrace' business philosophy for senior living, the pursuit of international standards with foreign co-operation, the introduction of new investment and management models." (Le Amor 2009a.)

The customer target group for Le Amor Senior Living care home is senior citizens aged 55 and over, who will be able to live in Le Amor Senior Living at least a period of one month. Le Amor offers rooms for short-term or long-term stays. Short-term staying is about one or two months, long-term staying is several months. Room prices include accommodation in a furnished apartment with cleaning services, indoor and outdoor activities, and health care services. Meals are available three times a day for an additional fee. In the company there is a small well equipped clinic with a doctor, physician and nurses. (Le Amor 2009a.)

The Finnish Company F is a private senior caring and housing services offering company. They co-operate with one foundation, which means that the foundation owns and rents apartments and Company F provides services. In the senior apartment house people live in their own apartment, which they can interior decorate according to their own taste and with their own dear furniture and goods. Services are available based on the customer's own choices and needs. There are nurse and doctor services available, and assistive devices to facilitate moving. In the senior housing and welfare services sector, Company F is one of the largest providers in Finland. The Finnish Company F provides nursing, caring, cleaning and catering services for seniors. Company F has five senior apartment houses in southern Finland. In these five houses there are 600 rooms in total in which from 600 to 1000 beds. The company employs 170 persons in total. (Company F 2011.)

1.5 Structure of thesis

The theoretical foundation for this work is built around the service branding, service brand building and service brand management. The approach is in the context of private sector senior care home services and senior living. The definitions of concepts and terms are made when the new term or concept appears in the text. This thesis is divided into five chapters.

In chapter two the theoretical knowledge of the service brand and branding is presented. The service brand marketing methods and the Finnish and Chinese cultural differences towards the brands and branding are discussed and compared. Chapter three introduces

one theoretical model of service brand management which is suggested to be used in Asian boardrooms. In chapter four chosen research method of this thesis is presented and justified. Furthermore, the analyses and results of the open-ended semi-structured email questionnaire interviews, theoretical findings as well as my personal observations are presented. In chapter five the conclusions and considerations of the conducted research are presented.

2 SERVICE BRAND AND BRANDING

In this chapter the theoretical knowledge about the service brand and branding is presented. Concepts of brand are explained and various aspects of service brand building methods are introduced. Furthermore in this chapter, the service brand marketing methods and the concept of service are explained. In addition, the cultural differences towards the brands and branding, from the Chinese consumers and business point of view are discussed and compared with the attitudes of Western and Finnish consumers and companies. The theoretical material, and the empirical approach of this material, has been selected on the basis of that the material has a relevance to the private sector senior care home services topic and the research questions of the thesis. Suggestions of the theoretical material usability for this senior care home services business sector are included, and the suitability of the material is commented.

2.1 Concepts of brand

The etymology of the word ‘brand’ is derived from the Old Norse word “brandr” meaning ‘to burn’ since actually it was first to use by livestock owners to burn mark their animals to identify them and to show the ownership rights (Keller 2003, 3).

According to the American Marketing Association’s definition, brand is a name, term, design, symbol, or any other feature that distinguishes one seller's product or service from other seller’s products or services. This definition can be criticized at least for two reasons from the service perspective. The first lack that this definition has is the ignoring of process nature of services. The second lack is disregarding the customer. (Keller 2003, 3; Grönroos 2009; 384-385.)

A brand is not just a name or logo, i.e. brand building is not just the same as graphic design. A brand includes all of the above and also what it stands for in the customer’s mind and how strong the association is. Sexton (2008, 26-31), divides the concept of brand into three key components, i.e. identifier, attributes and associations. The identifier is the visual part of the company or the service. That is the name, logo, color, shape or any kind of visual matter which leads a customer to think the company or the

service it provides. The attributes are those images that the customer has in response when the customer is exposed to brand identifiers. The product or the service is usually the first attribute people associate with a brand. From the company point of view a more important factor is if the customer associates the product or service with the customer's benefits or needs. The associations are the connections, i.e. the relationship between the other two key components. Brand identifiers, attributes, and associations must be managed together. If any of the brand components has changed, the brand is changed. (Sexton 2008, 31-38.)

From the legal point of view, product, trade or service brands have no differences, since these distinctions are economically based. This means that between these brand groups the monetary value and the method of determining their monetary value may vary, but from the law perspective they are equal with each other. For the customers, service brands are less well-known than product or trade brands, although there are several service brands existing. Visa, American Express, Citibank, Marriott's, Harvard, Manpower are all well known service brands. As it is seen from these brand names, some of the world's strongest brands are services. These well known service companies' names and brands represent concretely the very specific group in their own intangible services' attribute groupings. Despite the fact that their services are mostly intangible, these companies have managed to make their intangible services tangible in the minds of their customers. Even though the above discussed companies have succeeded in branding intangible services, there still exist service sectors where branding has not yet been initiated or which only recently became interested in branding. (Keller 2003, 16; Kotler & Keller 2006, 391-392; Kapferer 2008, 103-105.) One of the service sectors, which recently became interested in branding, is private senior care services and senior services sector. Senior care service does not quite yet consider itself to be a service brand product. In some countries however, including China, private sector senior care service companies have realized that branding their services is an important part of their marketing and creates competitive advantage.

Since in the service company the employee is one of the key factors of creating the company's brand reputation and brand image, the definition of brand by Martin and Hetrick (2006, 47) seems to be most suitable of all brand definitions, compared to the traditional definitions, for service providing companies. Their definition incorporates

the people management dimension with the external view of marketers as can be understood from the quote below:

A brand is a promise made and kept in every strategic, marketing and human resource activity, every action, every corporate decision and every customer and employee interaction intended to deliver strategic value to an organization (Martin & Hetrick 2006, 47).

By comparing the above discussed brand definitions, it is obvious that from which ever point of view the concept of brand is assessed, the common denominator for all definitions is the effort to stand out from the crowd. (Hertzen 2006, 16.)

2.2 Service brand building

Even though strong and successful service companies have been operating for many decades, systematic research into service brands is a relatively new phenomenon. In the global service sector the competition has increased and intensified significantly, and as a result of this, companies have begun to develop their brand strategies to improve competitiveness. (Lindberg-Repo 2005, 132.) The efforts of branding are to make the tangible and intangible elements of the services offered by the company distinctive from similar offerings in the marketplace. The goal of branding is to establish brand identity that is consistent with the character and image of the company. (Walker 2004, 117.)

The most important and most valuable asset of a company is its brand and its reputation. How the company manages its brand has an important impact on the success of the company as well as on the reputation of the company and its brand. Brand building and branding is a time consuming process and it must be managed with consistency and with long-term patience. Too often changed brand communications does not build a strong brand. In order to gain a successful branding, brand must also be built with over markets. If the company does not understand clearly what its brand stands for and does not have a discipline to build and maintain it, the brand can not succeed. (Sexton 2010, 113-115.) If the brand does not meet the needs of the customer, it will fail, since branding is about customer perceptions. Three main qualifiers that brand building requires are the clear market targets, clear brand positioning and consistent brand communications. (Sexton 2008, 18-19, 125.)

Services have a number of characteristics which are critical for their marketing and branding, and distinguish them from products and their marketing. Services are something that can be bought and sold, they can combine both tangible and intangible elements and they can be experiential. Services are something that are used and produced simultaneously but services cannot concretely be touched, i.e. held in one's hand. (Búrca 2004, 290-291.) Kotler defines the concept of service as any essentially intangible act or performance that two or several parties can offer to each other and does not offer ownership of anything. Production of services can often offer accompany of goods in some way even though it is not necessarily tied to an actual physical product. (Keller 1998, 612; Kotler & Keller 2006, 372.)

Grönroos (2009, 77) defines service as a process of intangible function series where these functions are offered as a solution for the customer's problems. Service functions are usually submitted in the interaction between the customer and the physical resources of service provider. In most of the cases the services provided includes interaction in some level, although the customer is not necessarily always in a direct personal contact with the service company. There are three specific characters which defines services in most cases. First of all, services are processes consisting of a series of activities or functions but not issues. Services are produced and consumed at least to some extent simultaneously and customer participates in the service production process at some extent. (Grönroos 2009, 77-79.)

There are four distinguishing marketing characteristics of services. Intangibility of services means that the customer is paying for use or performance, but cannot claim ownership or anything tangible in the sense of traditional thinking. There are possibilities to use tangible elements to add and enhance the value of the service and to confirm the provided benefits. Perishability of services means that services cannot be stored for future use, their consumption happens in the principle of here and now. This causes problems when the supply and demand is tried to match. Since the services involve interaction between people and since there is a high customer involvement in production of services, the one characteristic of services is heterogeneity. In service the time of production is either very close to or simultaneous with the consumption time, i.e. the service is provided at the point of sale. Sometimes it is possible to describe this

as an event which takes place on here and now and is inseparability. (Hollensen 2007, 423-424.)

The service component of the company's offerings can be either a minor or major part of the total offering. There are five distinguished categories of offerings, i.e. pure tangible goods, tangible good with accompanying service, hybrid, major service with accompanying minor goods and services and pure service. The senior care homes' offerings belong to the major service with accompanying minor goods and services category. In this category the offerings consist of minor additional supporting products and services, but the major part of the offering is a major service. In senior care homes, the major service is to provide the good and secure care for elderly person including the accommodation services, medical services and activities. The tangible parts are meals, facilities of the rooms and buildings. Senior care home services requires the customer's presence and this makes it important that the company will understand the customers' needs and take them in to consideration while providing the services. The senior care home services are mostly people-based services which puts high demand on employees' skills and professionalism. In this business field, services can meet the personal or business markets' needs and in some cases both, since the buying customer can be either an individual person or public administration. (Kotler & Keller 2006, 373-375.)

Welfare service products and care service products can be defined as a sort of service package, which consists of not only the core product, i.e. core service itself, but also related ancillary services, and the interaction between the customer and the service provider. In this service package, the core service product elements will always be realized and these are required to be taken care of properly. With the supporting services, the operational efficiency will be pursued and the competitiveness will be improved by developing additional services. With the help of additional services, the company can stand out from the other service providers, which depends on the company's chosen competitive strategy. Service accessibility is one of the most important parts of the service package when competing for customers. Even though there are some brands in care service business, their significance has not been the same as in other business areas. In some ways it has been difficult for consumers to create and reconcile inspiring images of an intensified housing services, home health care and services for the elderly. Main reason for this is that the concepts in this business field

are difficult to comprehend. One way of creating the viable brand in the senior care business, could be to develop evocative story behind the service concept. As is seen in the company presentation section, Le Amor Senior Living has created a background story for the causes of company establishment. (Välke 2007, 56-58, 61.) According to Sounio, the well known Finnish brand and design expert, it is possible to give a strong impact on brand's growth by creating the positive juicy gossip and stories around the company's brand. She also points out that controversiality is sometimes an important part of a strong brand. (Yle Etelä-Karjala 2011.)

The brand strategy for a service is basically developed with an approach similar to that of a product. In the case of developing the brand strategy for services or products, the target markets need to be determined and the attributes selected in the way which comprises the brand positioning. Corporate brand building starts with the same time as the company is making its business plan and as in business plan the company needs to determine its target market and positioning, and consequently it is also matter with the brand. To build a new brand, there are five steps to follow. First, the company needs to understand its customer thoroughly, what are the needs, purchase habits and what benefits the customers want to gain. Following the first step, the company needs to evaluate its service. This stage involves finding answers to the questions of if the company provides something that meets the needs of the customer and gives them a benefit what they are seeking. The third step is to select the target market. The company's target markets are those potential customers to whom the company will focus its brand efforts and to whom the company thinks its brand position development efforts are appealing. The target market selection and the fourth step, determination of the company's brand position, are made hand in hand, i.e. simultaneously. The fifth step in new brand building process is to design and implement the brand communication strategy. Generally the earlier the company creates its brand the easier the process is. Doing it early, the competitive advantage and the customers are reached before competitors. Even though being early is not enough, the brand position should consist of those benefits which are the high priorities to the company's target customer and which the company can provide better than the competitors. It is essential to understand that whenever the company enters a market, it needs a benefit advantage. (Sexton 2008, 53, 127-130; Sexton 2010, 118-119.)

The characters of services which were presented earlier, are the reasons why branding plays a special role in service companies. Strong brands increases customers' trust on the purchases they cannot concretely own. Branding the services starts with the corporate brand and this means that the companies name are used as the overall family brand for all the services offered. Corporate or company brand as it is also called, is a blend of the presented brand, external brand communication and brand meaning. (Lovelock & Wirtz & Keh & Lu 2006, 167-169.) Since the value for the service brand is created during the interaction between the customer and the brand, it causes the effect that the service provider company will be considered as the brand. As for branding services, corporate brands make the service offering more concrete in customers' minds and can enhance customers' perceptions and trust in the range of services provided by the company. The service encounter is the heart of the whole service business system. The interaction between the customer and the company's service contact people takes place in this encounter. To the service customer the contact people are the company's brand. (de Chernatony & McDonald 2005, 232; Lindberg-Repo 2005, 136-139; Martin & Hetrick 2006,19-20; Sexton 2008, 56, 209.)

To build a strong brand, the company needs absolute support from the top management and from the employees. Especially in the service company the support of the employees is the essential. In senior care homes, employees are working constantly in the customer interface and if they have not internalize the brand position and brand communication, the company brand has difficulties to succeed. In service providing start-up companies employees must be aware of the brands' goals and aims, and understand what the brand stands for, in order to be able to live-the-brand and communicate them to the customer. In service brand companies, it is essential first to communicate the message of the brand internally to the employees and the whole organization; the second step is the external communication to the customers. (Martin & Hetrick 2006, 19-20; Sexton 2008, 121, 209.)

Following figure describes, how employee's corporate brand internalization affects on corporate brand image. In this figure the process is called the employee branding process.

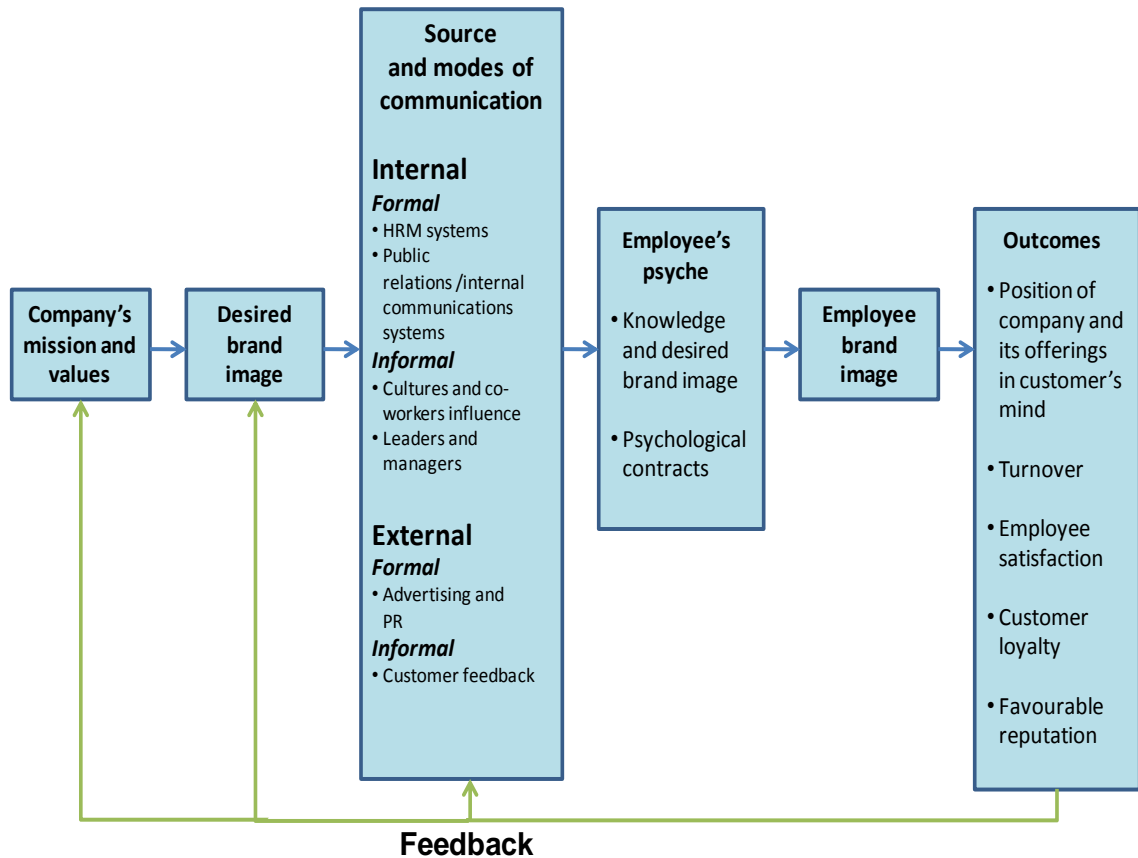


Figure 1. The employee branding process model (Miles & Mangold 2005, 536-542)

In this employee branding process model from Miles and Mangold (2005, 536-542), which is described in Figure 1, the starting point and same time the cornerstone for the whole process is the company's mission and values. Through these values and mission the understanding and implementation of desired brand image is achievable and defined. The company's internal communication should clearly convey the company's mission, values and desired brand image to employees. Also these internal messages should communicate the desired behavior and attitudes expected from the employees of the company. Most importantly the messages must be delivered frequently and consistently through range of internal and external, informal and formal, communication channels. Furthermore, these messages must be designed proactively in order to make it possible for the employees to live the desired company brand image. The company's internal communication will also shape the employees' knowledge and understanding of desired brand image as well as employees' existing psychological contracts which could be maintained between the company and the employees. This psychological contract is formed in the minds of the employees to be as an agreement of terms and conditions of the working relationship between the employer and employees. It maintains the

employees' motivation and creates the sense of being important part of the company. This process can also be defined as brand culturalization or at least the one part of it. (Knapp 2000, 133-136, 139-140; Miles & Mangold 2005, 536, 538; Martin & Hetrick 2006, 283.)

The employee brand image, which is an outcome from all of the previous processes, refers to the image employees projects to those around them, is leading to desired company brand image, i.e. employer brand image. The desired company brand image will lead to a positive outcomes, such as favorable company reputation, customer loyalty and satisfaction, favorable positioning of the brand and the company in the customer's minds, and positive turnover. When the nature of the senior care home service company is taken in to consideration, probably one of the most important outcomes is the employee satisfaction. Employee satisfaction is important to all service companies, but it is emphasised especially in the senior care home services. (Miles & Mangold 2005, 538, 542; Martin & Hetrick 2006, 283.)

Since senior care home service providers are in constant daily contact with their customers and the people in the supply of the service is in high involvement with the customers who are in long-term relationship to the service process, the service quality must be uniformly constant. Therefore, the operations of the services must be carefully standardized. However, since the services are predominantly performed by people, and since during the service process the customers will be in contact with several employees, it is difficult to ensure the same standard of service when the service is delivered by different employees. There might not only be differences between two or more employees providing the service in the company and same time representing the service in the eyes of the customer, but the service may differ also from day to day. In senior care home services it is essential that the particular attention is taken to employees' training and to regularity of this training, and that way maintaining the high quality of the service. Sometimes companies forget that the company staff is one of the most important assets of the company. Because the staff is all the time in close contact with the customers, they have silent knowledge what is good in company and what might need to be developed. Consequently, the knowledge and experiences of the staff is good base to learn, and that way to build best service practices. (de Chernatony & McDonald 2005, 223-226.) Since in senior care home services the customer is actively

and highly involved the service processes, the usable service marketing system model is the one which is designed for the high contact service.

The following Figure 2 illustrates the model of the high contact service marketing system by Lovelock and Wirtz combined to the whole service system model by Grönroos. With this service system model, where the different kinds of quality producing resources are connected to each other, it is possible to analyse and plan the company's service and service branding process and system. The corporate culture part in this figure opens up the service delivery organization on the customer's point of view. Even though there might be several different operations and departments in a company's service operation system, some of them visible and some of the invisible to the customer, the customer experiences everything as a complete system. The customer is inside the corporate culture part, since the customer is considered to be as a member resource to participate the service process. The customers are production resources of the company and they are inside the service process interacting with the different parts of service organization. (Lovelock et al. 2005, 60-61; Grönroos 2009, 425, 478-480.)

The corporate culture is formed from the norms and common values of the people working in the company, and these norms and values are cultural related to that environment where the person comes from. The corporate culture can be defined to mean those common values and beliefs, which give to its members the meanings and rules on how to behave in the organization. These values are rooted deep inside the company organization, and in the service oriented company, if the personnel's values are not service centric, the company will have serious problems. (de Chernatony & McDonald 2005, 232-234; Lovelock et al. 2005, 60-61; Grönroos 2009, 425, 478-480.)

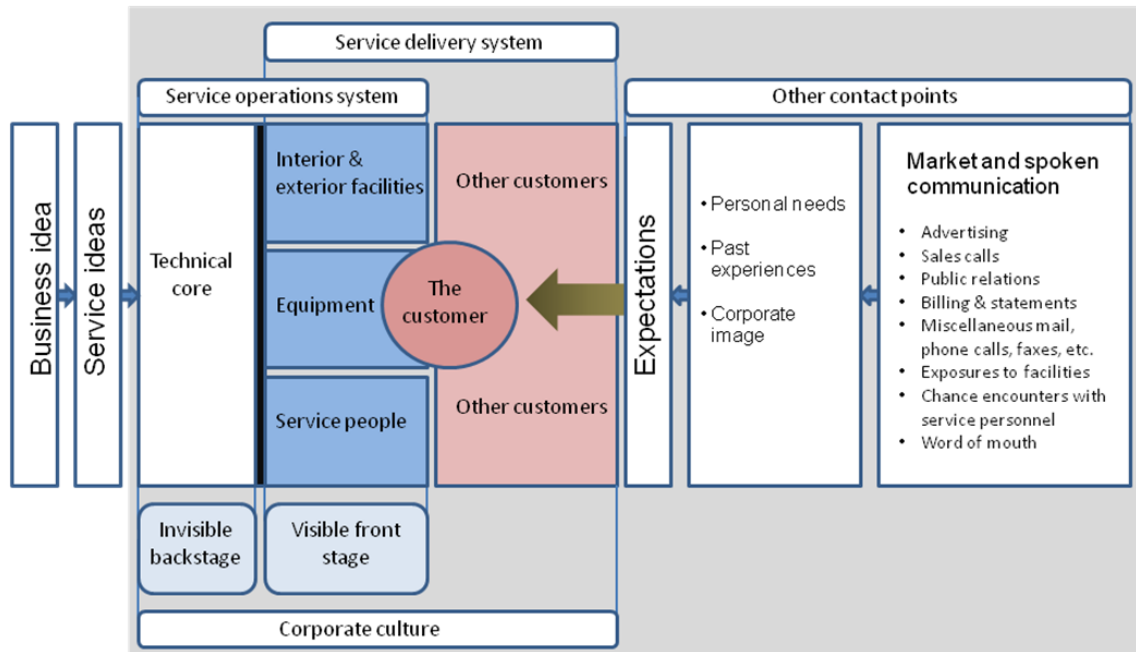


Figure 2. The service system and the service marketing system model for a high contact service (Búrca et al. 2004, 293; Lovelock et al. 2005, 61; Grönroos 2009, 425)

In Figure 2 the black line point between the invisible backstage and visible front stage is called a visibility border. The right side of this borderline is the service delivery system, the system where the customer meets the company and experiences the company's outer and inner service quality. In the service operations system part the visible front stage is also called the company's interactive part whereas the invisible backstage is called service operations system's supporting part. This supporting part, named as technical part in this figure, consists of system support, management support and physical support. Far left in Figure 2 are illustrated business ideas and corresponding service ideas. These both operate as an umbrella which guides the service production system designing and managing. (Grönroos 2009, 425-426.)

Far right in this Figure 2 is the service company's external marketing communications. With these forms of marketing communications the company is giving promises and creates expectations to the customer. What is promised to the customer through these external marketing communication channels, the company should be able to redeem later in service production and consumption phase. (Lovelock et al. 2005, 60-61;

Grönroos 2009, 425.) The company must not promise something it cannot deliver (Temporal 2001, 33).

In the service company the interactive section, i.e. service delivery system, is immediate contact to the customer. When the customer and the company representative encounter, the actual service production and consumption process begins, and the promises and the created expectations given during the earlier stage should now be honored by the company. In this section the company and the customer have their moment of truth, where it is measured if the brand image which the company has created, meets the customers' expectations created in their minds. This interactive section is the place where the service company's brand is tested. The service operation system section must work together and support the service delivery system section seamlessly. It is also noticeable that during this service production and consumption phase new promises are given and new expectations created which must be redeemed later. (Isohookana 2007, 70-71; Grönroos 2009, 427.)

When a service company is in question, its marketing must be rooted inside the organization in such a way that the whole organization adopts a customer-oriented mindset and attitude towards marketing. Whatever the company's marketers do, to create and build the brand, it is only possible for them to try to create the right and suitable conditions and environmental circumstances for the development of the brand in the minds of customers. Only the client can develop a brand. (de Chernatony & McDonald 2005, 23-25; Grönroos 2009, 384, 440.)

As was said earlier, the two most important drivers for building a strong service brand are support by the management and by the employees of the company. In order to facilitate the internalization of the brand inside the whole organization, the company should create the brand book. In many companies they have a style guide or company's visual guidance, but this is not enough for the branding process. A style guide or visual guidance is only a part of the brand book. Brand books generally consist of three major parts, such as reasons for branding, description of the brand and tools of maintaining the brand. Brand books' major task is to explain to the personnel why it is important to understand the company brand and why it is important to support all the branding efforts. The brand book is just one effective way to internally communicate and market

the company brand to the whole personnel, but it is not enough. To communicate the importance of the brand and to encourage personnel to support the company brand includes also brand presentations and branding key performance indicators. (Sexton 2008 304-308; Sexton 2010, 121-122.) Why then it is so important for the service company to introduce the service brand and service culture of the organization to its employees? This is because the customer-contact service employees are the service, the brand, the marketers and the organization in the eyes and minds of the customer. When a company wants to build a strong service brand, it is important for the company's personnel to internalize the brand so that they live in the company's brand as was mentioned earlier in this section of this thesis. This internalization of the company's brand often also means that company's personnel need, during their free time in public, to behave in accordance with the company's values, because the staff always personifies the company's brand in the customer's mind. (Zeithamel & Bitner & Gremler 2009, 351-353.)

When the company creates the brand, it knows what features and attributes the brand has. The customer cannot really ever understand these, but they know why they choose one brand over another. This is connected to those emotional needs that customers have, how they feel about the brand. The secret to service branding is to add psychological value to company and its offerings of company services in the intangible benefits' form. These are those emotional beliefs, feelings, values and associations that customers and personnel relate to the company brand. The above discussed emotional benefits and its related aspects makes one brand strongly distinguishable from another in the customers' minds, and this is achievable by strong brand identity building and strategic positioning in the minds of the target customers. To give a personality for the service, company or the product is to create an identity for it. This brand identity formation is one of the key activities in branding. Figure 3 describes three different alternative basic brand structures which company can choose to use when building its service brand. (Temporal 2001, 25-27, 31-32; de Chernatony & McDonald 2005, 23-26.)

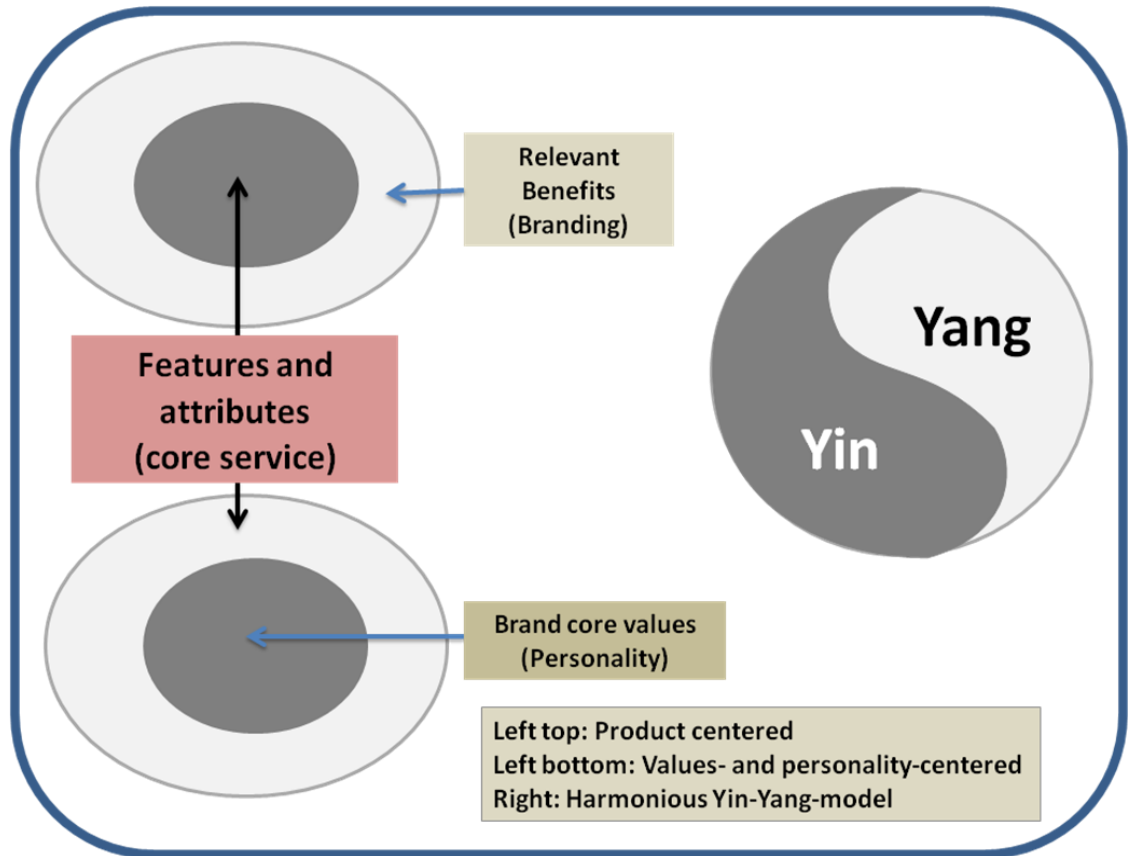


Figure 3. Basic brand structures (Temporal 2001, 26-27)

In Figure 3, upper left corner is the product centered branding approach. This brand structure typically emphasises functional characteristics of brands. The companies using this approach promote their brands on the basis of brands' functional features and competencies, which define the core product or service. In this approach the relevant brand benefits are formed by reliability, reputation, quality and service aspects. (Temporal 2001, 26.) The product centered approach creates the brand around its core product; whereas values- and personality-centered approach, figured in lower left corner in Figure 3, creates the features and attributes around its brand, i.e. brand is the company's core value and personality. The companies using this values- and personality-centered approach concentrate on trying to match their brand personality to that of customers or trying to give their brand a personality which would attract people to it. On the right side of this figure is the yin-yang model to which Asian brands are interested to. This model is very close to values- and personality-centered approach model. This model states that both rational and emotional sides of the brand must work in harmony and are necessary for the success of the brand. Yin-yang model also states

that the balance between rational and emotional attributes can be changed and adjusted based on the needs of present situation. (Temporal 2001, 26-27.) If the long-term nature of the relationship between senior care home service brand and its customers is taken seriously in to consideration, this yin-yang approach model could be one of the best alternatives for branding the senior care home services in China and in Finland.

2.3 Service brand marketing

Marketing something that is not concrete or tangible, such as services, to customers creates a challenge for marketers. They have to find the way to make intangible services tangible in the customers' minds and that way create emotional feelings towards their service product. Since the nature of services is abstract, marketers can use tangible elements around the services to help customers to create the emotional connections and mindset over intangible services and to give in this way a representation of tangible clues. These elements could be in the form of clear brand name with the distinctive logo, brochures and other physical facilities such as company ambient and the working clothes of personnel. With the help of these tangible matters the service company creates strong identity which will help customers to appreciate the characteristics of the company's service brand. In addition, the physical facilities of the service company can be used to differentiate the service brand from its competitors. (de Chernatony & McDonald 2005, 221, 228-231.) To make a positive impact on the customer it is critical to create the right kind of connotations for the brand name. This is especially important in countries where the language is in the form of ideographs. In China a good brand name should have desirable sound, desirable tonal associations, attractive calligraphy and desirable connotations. Since native Chinese speakers encode verbal information in to the so called visual mental code, it is essential to use ideographs which will create a favourable image for the brand name. This will add more value to the brand and increase the brand equity. In Asia also the colours play particularly important role in conveying the right message on brand. Le Amor Senior Living logo is green which creates a pure, trustworthy, dependable and sincere image of the brand. (Búrca et al. 2004, 277-279, 316.) When referred to Le Amor's original Chinese-language name, Love Twilight Home, it can be seen that the company's name correlates with the key

associations and the brand promise of Le Amor. Furthermore, its name creates positive emotional connotations.

The original 4P marketing mix, which denotes to product, price, place and promotion, was originally designed in the 1960's to meet the needs of manufacturing B2C companies. In this context, the original idea of the 4P marketing mix was to work as a persuasive tool kit, which could be used to influence customers. In B2B marketing, the 4P marketing mix is influenced by the interaction process between the buyer and the seller. In B2B marketing, the influence process is negotiation in contrast to persuasion in B2C marketing. Later when the services took wider part of the marketing concept, it was necessary to widen also the marketing mix to cover some important characteristics of services. These are inherent intangibility, perishability, heterogeneity or variability, inseparability and ownership. In 1981, Booms and Bitner extended the traditional 4P mix with additional three Ps. After these additions the new 7P marketing mix takes better into account the product and service marketing areas. Those added three Ps are participants, i.e. personnel, physical evidence, i.e. physical facilities and process. Still these both, 4P and 7P are product- or company-centric marketing approaches. The customer-centric marketing approach was named 4C marketing mix and later many various extended 5C models were developed. These C models are based on P models. The 4C model was originally introduced by Lauterborn at the beginning of the 1990's. Its equivalent parts to 4P model are consumer wants and needs, consumer cost, consumer convenience and consumer communications. The same principles apply to the branding of services although because of the characteristic abstract nature of services the marketing mix P and C models are not usable without adjustments to services marketing. (Brassington & Pettitt 2007, 21-24; Hollensen 2007, 415-416; Bergstöm & Leppänen 2009, 166-171.) Often, the terms marketing and branding are still used as a synonym. It has, however, already been noticed that the branding is actually more valuable than marketing. Difference between branding and marketing is hard to find, since all of the concepts, actions and measures are aimed at making the sale and to attract attention. Today, however, brands are seen as a management tool and the management's strategic intent, whereas the marketing concept is only seen as an operational activity and a tool for branding. (Sounio 2010, 63.)

It actually has no relevance how many P and C these marketing mix models have, since all these models are so called inside-out thinking marketing models and therefore, these models are in this case, approaching the issue from the wrong direction. In senior care home services marketing it is important for the marketers to understand what the customers are trying to seek from the company and from the brand. That is a long-term relationship. In order to want to create a long-term relationship and to be receptive to company's marketing messages, customers must have obtained information which is relevant to their needs at the right time and through the right communication channels and in meaningful form. To get these messages through to the minds of the customers, the received information must offer a meaningful solution and important benefits for the customers' point of view. What this also needs from both parties, i.e. from the company and from the customers, is the responsiveness. The company must be responsive to all market trends and needs in order to stay on the cutting edge and to be able to act to market changes as quickly as required. The company also needs to have responsiveness to a specific customer feedback, but as a marketer it is important for the company to find the solution how to develop the target markets' and customers' responsiveness. When all this is understood and internalized within the company, the company has changed its marketing and operational thinking towards customer-oriented outside-in thinking and positioning which is more interactive than traditional P and C models. This outside-in oriented marketing mix model is called 4R model. (Ritchie 2009, 53-56.) When the nature of the senior care home service activities as well as above discussed issues are taken into account, the 4R model seems to be particularly suitable for the senior services. In senior care home services, the relationship and responsiveness has an important part of the company-customer operations. There exists more than one of these 4R models, and the one presented in this section is suitable for the senior care home services. This 4R model is discussed more widely in below.

This 4R model gives a new dimension and adds interactiveness to traditional marketing mixes and it can be used as additional dimension alongside with them. The four R's in this model refer to the concepts of relevance, receptive, responsiveness and relationship. When a company has gained strong and positive references and referrals from the markets and customers, it will help and make it easier to establish lasting and strong relationships with the customers and markets. Actually, these positive references and referrals, as well as long-term lasting relationships will increase the company's and its

brand's reputation. In this way they can be seen as the company's reputation equity. Since one of the most important key factors for the customers is the value of the service or product and not only the monetary value, it can be thought that for the senior care home services marketing, probably one of the most important marketing tools is the strong positive reputation. If the reputation is not good, it can connote the bad quality and value in the minds of the customers. (Ritchie 2009, 54-56.)

When a customer is experiencing a service offered by the company so much better than its competitors that the company and the customer entered into a long-term service relationship, it will increase the positive reputation of the company's brand and reputation equity. This will increase the company's brand reputation and positive brand image in the market, which in turn increases the potential customer's desire to create a relationship with a company and brand. If the customer relationship has already been created, the customer wants to maintain and reinforce it. (Martin & Hetrick 2006, 11-12, 22, 57-59; Ritchie 2009, 55-56.) In order to succeed in this, the company and the customer should feel that they are both in win-win situation in their relationship. Both should gain continuously equally from the relationship, and the company should think creating its services and other operations with or for the customer, not to customer. Confidence, social benefits and special treatments are the most important types of benefits for the customer what they are seeking, when creating and maintaining a relationship with the service company. (Grönroos 2000, 62, 65.)

In next two subchapters the cultural differences towards the brands and branding is discussed from the Chinese consumers' and business point of view, and compared with the attitudes of Western and Finnish consumers and companies. Also the reasons for the Chinese customers and companies behaviours are discussed.

2.4 Chinese and Finnish consumers' behaviour towards brands

In this subchapter the Chinese consumers' behaviour towards brands is discussed and its background reasons are presented. Furthermore, the cultural differences towards brands are discussed also from the Chinese business point of view. Western culture is generalized to correlate that with Finnish culture and customs. This means that in this

subchapter Western culture and customs related aspects have been chosen to correspond to those of the Finnish consumers' and businesses' behaviours towards brands. In this subchapter, however, the issue is being approached by emphasising the Chinese consumers' and businesses' perspective.

The precious Chinese brands have over 2000 year history. These old Chinese brands were very unique, premium priced and because of the uniqueness these products were much desired in Europe. These Chinese brands were silk, porcelain and jade. But due the ideological changes and internal wars, China isolated itself for several hundred years. Isolation ended when Deng Xiaoping started the economic reforms in 1978 by shifting the emphasis to prioritising economic modernisation over the socialist ideology. During this period, China functioned as centralised planned economy where state-owned companies were in dominant position. Marketing was denied since commercialism was seen as manipulating force to make people to buy goods or service they do not need. Chinese managers were not rewarded for taking risks in profit growth or R&D, nor did they were rewarded for developing marketing activities. Their only task was to fulfil the state plan. Chinese managers did not have almost any kind of control over marketing mix decision making, these decisions were made by government officials. (Bell 2006, 71-73.) Even though, as was discussed in the concepts of brand subchapter in this thesis, Western and Scandinavian branding can be thought to have its origin in the Viking era, maybe even earlier. The era of Western brand is, however, often considered to have begun in the 1800s with the industrialization. The increased amount of industrially manufactured products led to competition and the need to differentiate. In Finland, a brand era is considered to have begun in the 1970s, when the brands and branding gained in importance. Earlier there have been trademarks in Finland which are now considered to represent brands. A good example of these is the Finnish company named Fiskars, which was established in 1649 and is therefore the oldest industrial company in Finland. Fiskars is one of the most prestigious Finnish brands. (Laakso 2004, 41-46; Sounio 2010, 25-26.)

Between 1985 and 1991, which was the second economical reform period in China, the reform was concentrated to urban sector. During this period many consumer markets were opened up and wide variety of foreign brands were introduced and imported for the first time in China. Western capital, technology and management skills were first

time introduced to Chinese economy in the form of Sino-foreign joint ventures, and FDIs, i.e. foreign direct investments started to pour into Chinese markets. This was the time when Chinese companies developed the consciousness for the power of brands and started to make faked foreign brands. During this second reform period many of today's Chinese brand names were launched. In 1992 China moved from the centrally planned economy to a socialist market economy. During the period from 1992 to 2000 Chinese consumers started to demand better products and services and still foreign brands were thought to be better quality over the local offerings. The consequence of this development was the fact that Chinese companies had to start to develop their products and services to succeed in the competition. Furthermore, this new situation led to the fact that market and customer orientation became more important, and value of brands and branding was understood to be essential for the success of the company. If Western brand management theories are used as measurement, the first Chinese product and company names were recognized as brands in 2000. (Bell 2006, 73-74.) In the Western world as well as in Finland the strong growth of brand and branding began in the 1980s and it still continues in the 2000s. The strong development of service brands began in the 1990s alongside the product brands. As can be seen today, branding is a trend in Finland, and everything possible is aimed to be branded. In addition, brands are currently created and build by consumers, not any more by companies. (Laakso 2004, 45-46; Lindberg-Repo 2005, 131-135; Sounio 2010, 26-46.) As can be noted from the discussion above, Western brands and branding have been allowed to develop without any major obstacles. This has had an impact on Western consumers' awareness and behaviours towards brands and branding compared to that of Chinese consumers' behaviour.

The traditional concepts and the recent economic growth in China influence highly the Chinese consumers' behaviours towards brands. The ownership of brands in Western societies is seen as an expression of individualism, differentiation and gaining personal style. Therefore, it seems reasonable to affirm that in West, the customers are seeking emotional stimulation by buying branded products or services. In China the ownership of branded product or service gives customer status, thus in China it is not important to which price category the brand is positioned. Chinese customers do not decide on liking or disliking of brand based on the price category. They merely choose the brand which is favored in their social status group and this is done in order to minimize the loosing

face risk. In Western culture the general price category of branded product or service is often main factor on purchase decision. (Bell 2008, 81-84.)

To perceive the differences between Western and Asian customers needs, it is useful to study the Maslow's hierarchy of needs model and to modify it to meet the thinking of Asian people and their way of see the importance of needs which have convergence to the status thinking in Asian culture. Most of the consumer behavior models, used in Asia, were developed in Western countries. As yet, there is no clear understanding of how to apply these marketing techniques and theories to Asian contexts. In most marketing and management theories, the perspective relies on Western ways of seeing a customer or consumer as an individual, independent person with autonomous identity, possibility to make free decisions based purely on personal desire and affiliations. Western consumers are living their lives in accordance with Maslow's hierarchy of needs. In this theory the most basic needs are food, shelter and clothing, after which might come the needs of belonging, the need of prestige and finally in the highest step is self-actualization in Western cultures. The hierarchy of priorities of needs is different in Asia and the Maslow's model fails to consider cultural aspects. In Asia interpersonal relationships and social interactions are more valued than self-actualization needs, autonomy and independence has not same connotations than in the West. To reach a social status level, Asian people could deprive themselves of some basic needs, i.e. even food, in order to buy a product which can enhance their social class. Asians gain status through affiliation and admirations whereas Westerners gain self-actualisation. Affiliation needs in Asian culture is gained when an individual is accepted by a group and administration needs are satisfied through acts that command respect within a group. (Roll 2006, 46-52; Bell 2008, 82.) The following Figure 4 shows comparison between Western and Asian view point to Maslow's hierarchy of needs.

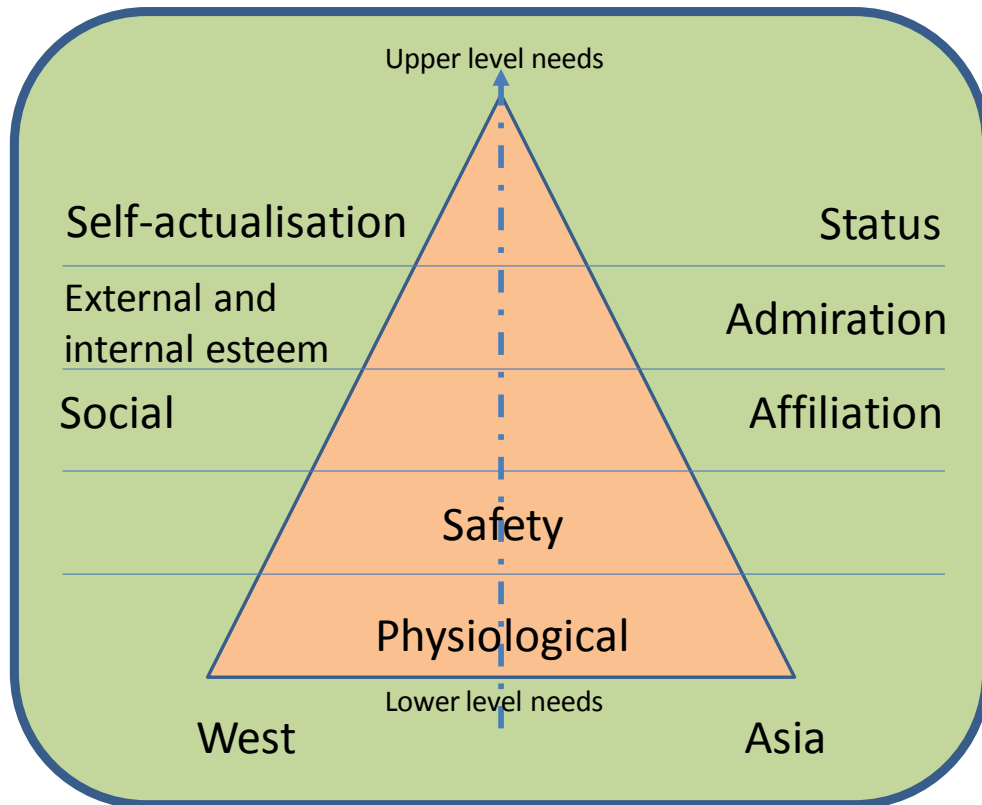


Figure 4. Maslow's hierarchy of needs with Asian equivalents (Roll 2006, 47; Bell 2008, 82)

This Figure 4 reveals the collectiveness of Asian culture against individualism of Western culture. In collectivist Asian culture the more emphasis is placed on interpersonal relationships and social interactions. The idea of collectivism is to live in harmony by respecting and supporting the same in-group members. This concept is named as *guanxi* in China. Extremely simplified definition for *guanxi* is the web of personal relationships, but in China there are so many levels on this. Without the right connections and personal relationships, i.e. *guanxi*, the individual, person or some other unit, has really difficult to operate. The individual's *guanxi*-network might consist of the members of family, relatives, classmates, colleagues, hobby or business acquaintances, or basically any person who might be useful to know or to have a contact with during one's lifetime. Usually *guanxi*-networks are for long-term relationships. Right connections, i.e. *guanxi*, give the face to a person or company and same time it will increase the status value. (De Mente 2004, 86-87; Bell 2008, 81-83; Lehtipuu 2010, 203-207.) It can be seen one fundamental difference between Finnish and Chinese culture. In China, people like to show off what they have achieved to increase the face and status value, whereas Finnish people views status symbols negative and suspicious.

At the present time Chinese customers feel obligated to buy local Chinese brands to support the national employment and economy. (Bell 2008, 83-85.)

The Chinese organizational as well as company behaviour is complex and it has its roots in an ancient history and the doctrine of Confucius. To understand the present day decision-making and organizational behaviour toward branding and brands in China, it is necessary to understand the ancient traditions of Confucian protocols. Also the above discussed guanxi has its ancient cultural roots in Confucianism which emphasises the importance of interdependence and social connections. Chinese organizational structures can be explained through Confucianism since Confucian protocol place high value on social control and personal power. The Confucian doctrine also emphasises on the hierarchical top-down command structure which means that the person who is in higher rank has dominant position over lower ranking person. In addition, according to Confucianism doctrines, individual exist for the benefit of the group, therefore, these doctrines also emphasises strongly the kinship and group loyalty ties. (Bell 2008, 91-92.)

In Chinese culture, people live in multilevel complex web of personal and social inter-connections where they are interdependent of each other and embedded in the surrounding social context. The importance of individual's place in the hierarchy of social relationship is stressed in Confucian ethics. The basis of this concept is described as power distance. Power distance is one of the four dimensions of national cultural differences from the well-known model of Hofstede. Three other dimensions of national cultural differences by Hofstede are the extent of masculinity, the predominance of individualism or collectivism and the uncertainty avoidance level. When power is distributed unequally between the powerful and less powerful, the gap which is accepted, based on their own cultural aspects, between these two is referred as power distance. If the society is highly respectful towards authority and the more it accepts inequality the greater the power distance is likely to be. These types of relationships within a social hierarchy are described as ruler-subject, father-son, husband-wife, elderly-younger, brother-brother, and friend-friend. The Confucian ethics are also reasons why in Asian cultures and in China particularly, individuals respect elders and patriarchs. (Bell 2006, 92; Gandolfi & Bekker 2008, 6; Roll 2006, 47-48.)

In Asia and China, another important concept along with the earlier mentioned *guanxi* is the concept of 'face'. The concept of face refers to esteem, which the individual feels himself or the image which the community have about him. It also combines the Western notions of honour, integrity, respect and reputation. The face can be gained or given. The face can also be lost or taken away. If the face is lost or taken away, it is the worst possible thing what could happen to an Asian person. (Bell 2006, 83; Bosrock 2007, 22-23; Lehtipuu 2010, 207-209.) The basic unit of the Chinese society is family and kindred. Chinese family is hierarchical, authoritarian, patrilineal and patrilocal. Even though in the current urbanized Chinese society, the women's status is equal standing with men, the Confucian ethics is still strong part of the Chinese society. This can be seen in the fact that male children are still more desired than female children. In the modern Chinese society the old traditional age and gender roles have still strong impact on everyday life. (Huotari & Seppälä 1999, 109-110, 165-170.)

China's collectivist society and the Confucian ethics emphasis importance of family and respecting elderly, and the filial piety of Confucian ethics requires children to care for their aged parents. In 2006 the majority of elders, almost 60 percent, lived with their grown children or other relatives. Along with the strong urbanization caused by economic growth the old traditional values in Chinese society has also begun to change. Children are separated from their parents because of mass rural-urban migration. They must or they want to move away from their home districts to find employment and better standard of living. This mass migration is disrupting the lifelong care networks that elders have traditionally relied on for assistance. Also Western individualistic values have gained ground in China, which has caused the fact that the ethic of filial piety is slowly vanishing. This trend was also noted at the governmental level and it led to the conclusion that in 1996 the National People's Congress passed a law obligating children to support their aged parents. The rapid aging of China's population and the so called one child policy is leading to the 4-2-1 problem. This problem could mean that one child will have to carry a burden to support two parents and four grandparents. Due to the children's work load, they can no longer take care of the elderly themselves. (Jackson & Nakashima & Howe 2009, 13-14.) Seen from this perspective, in order to maintain their face and even gain some face, the children should acquire the best possible care home place, to which they can afford, to their elderly parents as the Confucian ethics and social pressure requires.

2.5 Hofstede's national cultural dimensions in China and Finland

The important aspect to notice, when Hofstede's model is used to explain the corporate or organizational cultural differences, is the fact that Hofstede's dimensions of national cultures are not relevant for comparing organizations within the same country. It is valid only if the organizations or companies compared are from different national cultures, i.e. from different countries. (Hofstede & Hofstede 2010a.) When referring to Hofstede's research on cultural differences, it should be noted that his research was conducted in late 1970s and these dimensions are based on Western dimensions and may not fit to measure cultural differences in some Asian countries. (Búrca et al. 2004, 84.) The following Figure 5 shows the original four dimensions with the later added fifth dimension, long-term orientation, in Finland and in China and the comparison between these two.

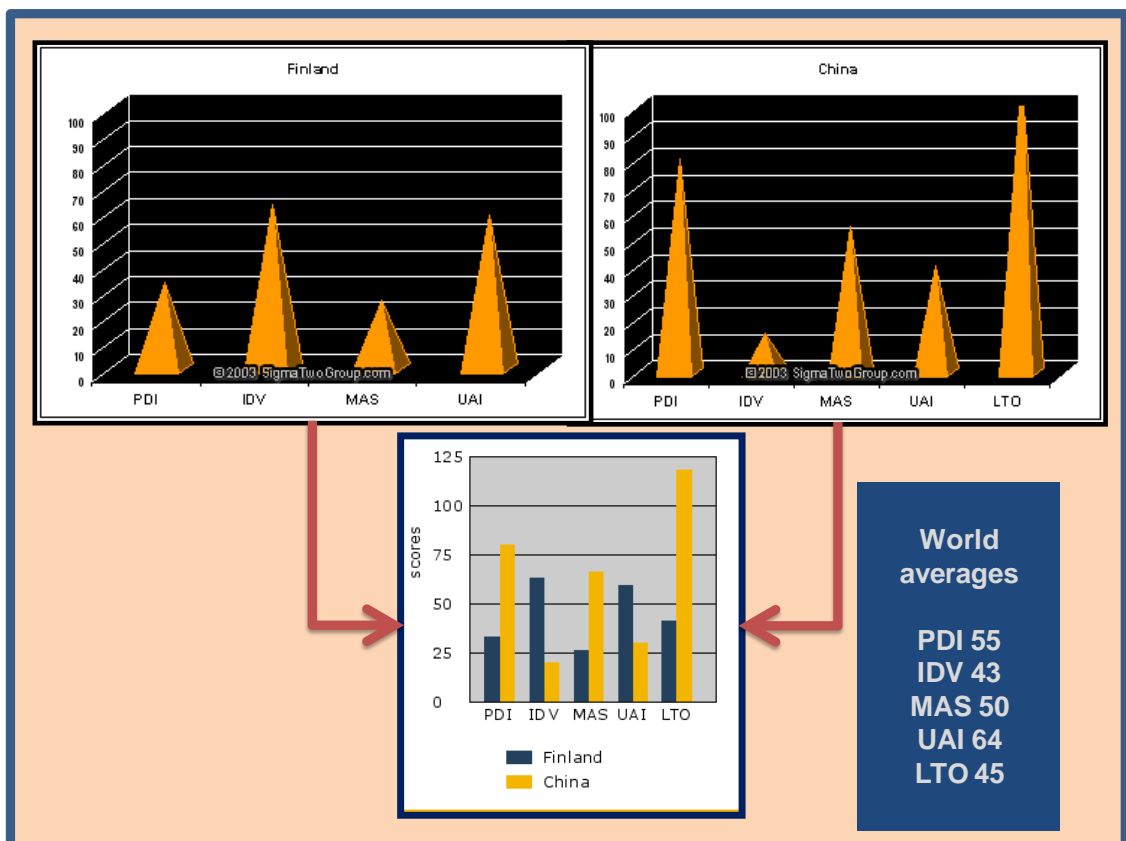


Figure 5. Comparison of cultural difference dimensions between Finland and China by Geert Hofstede (Itim International 2009)

Figure 5 confirms the characteristic features of Chinese culture described in previous subchapter 2.4. The findings of Hofstede's research shows that China is a masculine,

risk averse, i.e. harmony-oriented, and the high power distance and collectivist values having society. As can also be seen from the Figure 5 the highest-ranking factor for China is 118 in long-term orientation (LTO). Finland equivalent is set to be 45 which is actually world average which is not realistic since Finland was one of those countries not originally included the long-term orientation research. Later in 2010 a wider LTO research was conducted and it included also Finland and it received the index 38. Cultures having high index in this LTO dimension reflect the values of perseverance, righteousness, thrift and tradition respect. In business, building market share is seen more important than quick returns for investors. Fulfilling social obligations and focusing on gaining face rather than losing one in business deals is also seen important in long-term orientation cultures. (Búrca et al. 2004, 84-85; Itim International 2009; Hofstede & Hofstede 2010b.) When compared the national cultural dimensions to business cultural dimension, it can be seen one major difference in China. Even though the society is long-term oriented and acts mostly according to those values, the business culture is in many cases short-term oriented working in short time cycles. At the moment this short-term orientation is very common for at least the goods-producing companies. (Midler 2007; Poropudas 2011.)

When referred to Hofstede's research into cultural differences between Finland and China, it is possible to see why brand building might be difficult in the senior care home companies where the employee is the key element of the whole service process. Power distance dimension index (PDI) indicates how hierarchical or open internal organizational communication is. China's power distance index is 80 compared to the other Far East Asian countries' average of 60. In China and in Asia general, the PDI is usually high which means that organizational structure is very hierarchical. This occurs in such a way that inside the company the information flow is from top to bottom and the staff's own initiative is not recommended and it does not usually exist. The employee makes only what is told and no extra. In this way, mistakes and penalties are avoided. In addition, this also prevents the open communication between the manager and employees, which is harmful for the company development and at the same time hinder the implementation and the strengthening of the service brand. (De Mente 2004, 83-84; Bell 2008, 92; Itim International 2009.)

Finnish culture is oriented to individuality and femininity, as the individualism index 63 and masculinity index 26 indicates. Risk taking dimensions is 59, which means that Finnish can be described to be as contemplative, less aggressive, unemotional and tolerant. Power distance index 33 is in relatively low level, which means that Finland is more egalitarian than inequality-oriented society. At the corporate level this is reflected in a very open communication between the company management and employees. Information flows both ways. (Búrca et al. 2004, 81-83; Itim International 2009.)

As was stated earlier in this thesis, the relationships and reputation have important impact on the senior care home services marketing. When it comes to services and especially senior services, it must also be considered what kind of impact the relationship factor has in different cultures from the marketing and demand point of view. Even though the origin of the relationship marketing thinking is from the Scandinavian countries and even there are now different theories and models of it available, the relationship marketing philosophy is particularly suitable for Asian culture, where the relationships, i.e. *guanxi* have guided the business for centuries. (Búrca et al. 2004, 582.)

In Asia and China, the company must take into account that the everyday life is driven by the mutual relationships between persons and between the companies. As a result, in China, an essential marketing communication method and tool for brand building is a word-of-mouth communication. (Magni & Atsmon 2010.) The survey, which Wylde, Smith, Schless and Bernstecker (2009) conducted among American customers in 2008, came to same conclusion regarding the power of word-of-mouth marketing. According to this survey, if the company had operated less than two years, the most important marketing channels to reach new customers are advertisements and direct mails. However, if the company had operated over two years, importance of the recommendations of other persons, i.e. word-of-mouth marketing increased significantly and affected the decision to buy more than any other advertising. This survey was made among the customers living in various independent living communities around USA. (Wylde & Smith & Schless & Bernstecker 2009.) In order for the company's identity and image to be able to create positive emotional feelings to the customer's mind, a good alternative for the company's service branding and marketing strategy could be to take advantage of a guest or family member mentality. A

senior care home constitutes a sort of community of family members or of friends, to which the customer has come to visit as a valued guest. (Knapp 2000, 158-159.) With the slogan "Welcome to our home" or "Welcome home" a senior care home company can create the atmosphere for the customer as if the customer is a honourable guest in the company or to be considered as a member of family. This decision a company must make based on its customer profile. For the nature of senior care home services, it might be a good idea to upgrade the guest thinking to family member thinking.

Once a Chinese customer makes a purchase decision, friends or family members are the most important and influential source of information. At least this is what 60 percent of Chinese consumers are claiming. To choose a right brand is serious business in China. The brands are relatively new thing in China, and there have not been so many brands in the markets long enough that the loyalty towards brands would be strong enough. Therefore, if there is a risk that product or service could fail or embarrass the customer otherwise, which may lead to loss of face, the customer is willing to change to some other product or service that others might suggest. (Magni & Atsmon 2010.)

3 SERVICE BRAND MANAGEMENT

In this chapter the one theoretical model of service brand management, which is suggested to be used in Asian boardrooms, is introduced. This six-step model describes methods for building, managing and evaluating brands. Each step of the model is shortly explained.

If the company does not have a separate brand strategy, which is quite common if the company is newly established, it is important to note that the business plan already contains most of the ingredients which are also used as a foundation on brand development. The key decisions of brand strategy are made in the same level where the business and investment strategies are also decided on, i.e. in the top management level. The harmonization of business strategy and brand strategy is typical for service brands, which are usually at the same time corporate brands. Basically the brand strategy and brand building strategy are the duties of the company's CEO or the Board of Directors. The management and implementation of the accepted brand strategy could be delegated to communications or marketing management level. (Hertzen 2006, 124-126.) Effective brand management demands the efficient and considerable usage of resources and its aim is to create value for the company and to increase brand equity. A successful and effective brand management requires the monitoring systems which are tailored for the use of the company's managers and which suit to the company's business environment. Furthermore, a successful and effective brand management requires a long-term view of marketing decisions and it also demands a well-drafted and professionally managed long-term corporate branding strategy and implementation plan. (de Chernatony & McDonald 2005, 456-457; Kotler & Keller & Ang & Leong & Tan 2006, 279, 302.)

To build, manage and evaluate the strong brand is described in this thesis with the VentureRepublic's six-step brand management model. (Roll 2006, 97). The Figure 6 shows the outline of this brand management model, which helps the companies to focus their branding efforts and process to the right direction. This presented brand management model is only one of the many, but this model was chosen to be presented in this thesis, since it is the model which is suggested to be used in Asia by Roll (2006, 97-98.)



Figure 6. Outline of the brand management model (Roll 2006, 98)

As the Figure 6 shows, the beginning of the brand management model is the brand audit after which the brand identity will be determined. Creating the brand strategy follows the previous ones and is based on them and corporate strategy. These first three steps will lead to brand implementation and the outcome of these is the brand equity after which the brand valuation is conducted to put the financial value on the brand. Each step will be opened up in this section to explain the content of them.

3.1 Brand audit

As can be seen in Figure 6, the first essential step is the brand audit. In this comprehensive process the researched and over all analysed information of the brand, gathered from internal and external sources will be provided to the management. The four major analysis phases are: company analysis, customer analysis, competitor analysis and stakeholder analysis. Brand audit is used to specify the strategic direction of the branding and to support the long-term marketing programs planning. During the brand audit process the company should identify the sources of brand equity from the company as well as from the customer perspective in order to take into account all the key value factors. The benefits that the management can obtain from brand audit is that

this way they can get valid researched information about the customer-oriented value of the brand, and with the help of this knowledge the management can compare and find the value of the brand. (Lindberg-Repo 2005, 226; Roll 2006, 99.) By carrying out the brand audit the company will have clearer vision about the weaknesses and strengths of the existing brand portfolio. Brand auditing will help the company to determine the brands current positioning in the markets. Based on this knowledge, the company can formulate the positioning what the company desire and same time determine the relative position in relations to its competitors, and to formulate strategies that assists them to outsmart the competitors. One important benefit of auditing is that company will understand customers' needs, preferences and priorities in the company's market field. Perhaps one of the most important factors of the brand audit is the fact that it works as an essential platform for building and managing the brand identity. (Roll 2006, 99-101.)

Keller urges companies to focus on the brand audit. With the help of the audition it is possible to find those factors which are specifically related to the valuation of the customer-oriented brand. Auditing is the important phase on building and developing the brand. By carrying out the brand audit, the company will be able to obtain research data on how the customers and other stakeholders feel and perceive the company's brand and its services. Collected research data and its correctly completed analysis create the foundation for the entire brand building and brand management. (Keller 2003, 161-163; Lindberg-Repo 2005, 226-227.) Keller's auditing model consists of two steps, i.e. the brand inventory and the brand exploratory. The brand inventory identifies and creates the comprehensive picture from the company's point of view, of what all the services the company sells, and seeks to integrate to brand strategy. The end result is the profile of the company's brand, which help to clarify how these are reflected in the customer's current knowledge and preferences of these brands. This offers a brand development and analysis tool to help brand portfolio alignment, although it is more descriptive in nature than the monetary value measuring. This also helps to determine if there is enough difference between the company's brand and its competitors. (Keller 2003, 163-164; Lindberg-Repo 2005, 227.)

Brand exploratory represents the brand's customer-oriented value as a brand asset factor. In this part of the auditing, the main focus of research is to find out the customers' connotations, their characters and strength, and how positive attitude the

customers have towards brands. In brand exploratory it is concentrated to explain how customers perceive the brand and wants to create a relationship with it. As a result of auditing, by combining the inventory and exploratory analysis, the information can be received, based on which the company can develop a new strategic know-how. (Keller 2003, 164; Lindberg-Repo 2005, 227.)

3.2 Brand identity

After auditing, the next step in the brand management model is brand identity. Brand identity is the strategic charter that works as a guide for the company and the customers. Internally its purpose is to guide the communication, brand extension and architecture as well as association and partnering decisions, i.e. all the strategic decisions regarding the brand. Externally its purpose is to provide for the customer the clear sense of what the brand stands for, what is its essence, promises and personality. Internally the brand identity serves as a direct link to the company strategy, which is essential since in the service company the company strategy and service brand strategy should be the same. Externally the brand identity serves as the crucial link between the customers and the brand. To consider the significance nature of brand identity, the company management should put considerable efforts to develop brand identity which is relevant, sustainable and resonating. There are five factors which should be included when brand identity of the company is developed. These five factors are: vision, scope, positioning, personality and essence of the brand. The last one of these five, brand essence, is actually the heart and soul, i.e. the core of the whole brand. It should be stated with no more than three words and it crystallizes the brands uniqueness, what it represents and what the brand is all about. Using the discussed five factors, management is able to create such a brand identity for the company's brand which will direct company's actions towards the objective of building competitive advantage and recalling the emotional and unique impressions in its customers' minds. (Roll 2006, 101-103.)

When company makes the decision to brand its services or the company, it is crucial to establish a common brand vocabulary inside the whole organization, but especially within the company management team, to ensure that there is a common level for every member of the organization to discuss and communicate about the issues. There are two

key terms in the brand vocabulary which need to be understood within the whole organization before entering on branding process. These terms are brand identity and brand image. (Roll 2006, 96.)

One of the problems discussing on the issues of the brands and brand development is often made a distinction between brand and brand image. Brand identity and brand image are the two different sides of the same matter. Brand identity is the company centred approach while brand image is the customer centred. Brand is an identity of product or service, which marketers want to create, while the brand image is the image customer creates in his mind of product or service. If brand identity is not strong enough, it might have a contradiction with the way it communicates with the customer. This is usually caused by the fact that there is a gap between the brand identity created by the company and the image created by customer. (Lindberg-Repo 2005, 67-68; Grönroos 2009, 386.) Separating the brand and brand image, raises the impression that the brand can be created without the client's presence. According to this view, the customers form a pre-generated image of the brand, but in reality the customers will constantly receive stimuli of the brand under creation process. The customers will compare these stimuli to the brand messages, react these and creates the brand image in their minds. (Temporal 2001, 33; Grönroos 2009, 386-387.) In many Asian companies and therefore also in Chinese companies, the brand image is familiar term whereas brand identity is rarely understood or used. This leads to a problem to really understand the brand and the nature of branding. The cause for this is that for the Chinese companies the brand and company image is considered highly important factor, since the image represents the "face" and quality. The background for this is the collectivist culture of Asian countries. Brand identity or brand personality as it is also called, should drive the brand and brand image and these two should match, because this will give the longevity and consistency for the brand. The corporate brand identity and the values that this brand identity is based on, define the actual brand. The brand image is alterable, whereas the brand identity is not. Therefore, if these two does not match, the company must change the brand image to match unchangeable brand identity. (Temporal 2001, 31-33).

Brand identity is the image that sender of the communication has about the company and which is wished to be conveyed to the customer. Brand identity includes all strong

positive important values, uniqueness's and meanings which the company wishes to clarify to the customers and other partners, and it also tells the contents and aims of the brand to the stakeholders. Brand-name, symbols, products or services, advertisements, sponsors and brand heritage are the basis for brand identity. Brand identity concerns with how managers and employees make a brand unique. (Lindberg-Repo 2005, 68-77; Roll 2006, 96.)

Brand image is those observations and beliefs what customers and stakeholders have on brand; compared to those already existing perceptions that customers and stakeholders have in their memory on brand. Brand image focuses on consumers' perceptions of brand differentiation and it is the recipient's view of the company communication. (Kotler & Keller 2006, 268; Roll 2006, 97.)

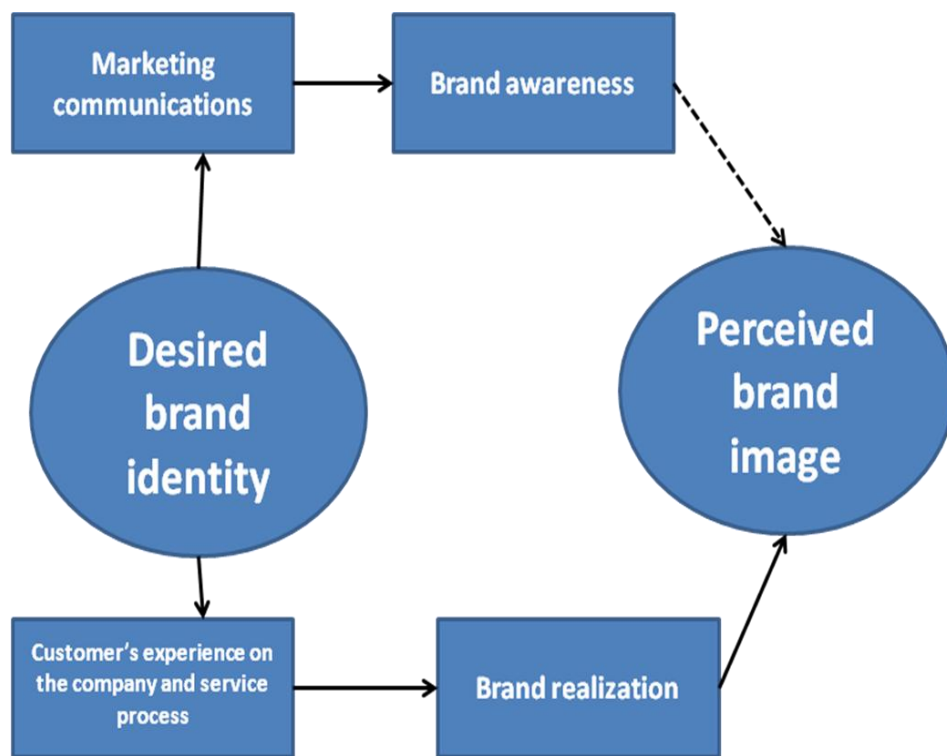


Figure 7. Brand processes of services (Grönroos 2009, 392)

Figure 7 visualizes the development process of service brands. To make a managed and controlled brand development process, the left side on this figure, the starting point is to analyse that brand image, the right side of this figure, which the company wants its all stakeholder to have. The outcome of this is the desired brand identity. Carefully planned

marketing communication creates the brand awareness which have two important functions. The first function is to make all stakeholders aware of the existence of a given specific service. The second function is that the customers' experiences of the service company and the service process and its outcome are supported by the planned communication efforts and they do not counteract with them. Brand realization, i.e. brand fulfilment is formed during the experiences that the customer have with the company in the service branding process. This fulfilment leads primarily to perceived brand image. The planned communication measures have only a supporting role in this process that is why the connection line between perceived brand image and brand awareness has been illustrated in this figure with the dotted line. Even though, in the Figure 7 the branding process looks very organized, actually it is only the development process of the brand which is manageable. The formation of brand is not. (Grönroos 2009, 392-393.)

When Figure 7 above is expanded, it also shows the brand reputation chain, as can be seen in Figure 8 below. Martin and Hetrick (2006, 100) review the reputation chain model created by Davies and his colleagues. In this model the core link is the alignment of identity and image. The identity is considered as the employees' view of the company brand, i.e. internal view and the image is the customer, i.e. external view towards the company and its services. These are seen as interdependent perspectives in the service business and they are forming the part of the reputation chain. Their model is a proposal for the ideal relationship between satisfied employees with the high level of corporate identity, the strong brand reputation and loyal satisfied customer, which will lead to the increased sales. (Davies & Chun & da Silva & Roper 2004, cited in Martin & Hetrick 2006, 100.)

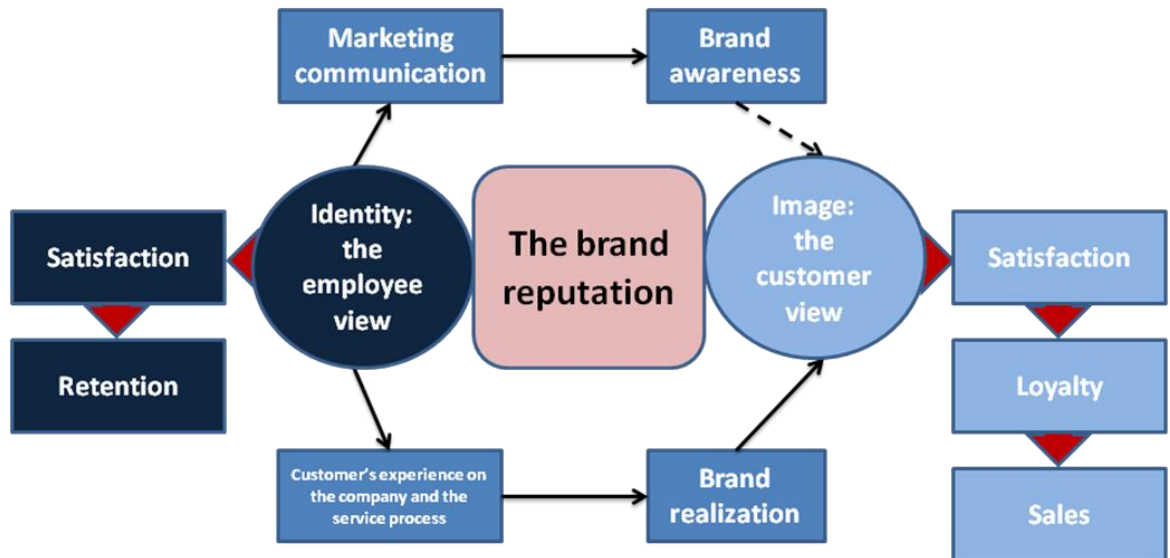


Figure 8. Brand process of services expanded with the reputation chain (Martin & Hetrick 2006, 100; Grönroos 2009, 392)

In this model the desired identity from the Grönroos model has been changed to identity. Difference between these two terms is that desired identity is something what the corporation says it is and the identity is something how the company sees itself (Martin & Hetrick 2006, 69).

3.3 Brand strategy

The third step in brand management model described in Figure 6, on page 45, is brand strategy. The brand research, i.e. brand audit and identity process creates the strong foundation for the company's brand activities when the company is developing strategies for the future growth. The brand strategy is needed to give guidelines what the company personnel in every level is doing regarding on brand. (Roll 2006, 103; Sexton 2008, 69.) When compared to various references, there seems to be different kinds of interpretations what the brand strategy actually is. Sexton (2008, 69-90), seems to interpret that the brand strategy comprises the entire above described Figure 6 brand management model. Roll (2006, 103-111), from whose book this model is, uses the brand strategy as only one part of the management model and in his model it is consisting mainly different growth strategies. In this context the brand strategy is briefly discussed in accordance with Figure 6.

According to Roll (2006, 98), the brand strategy can be divided into three growth strategies which are: organic growth strategy, alliance strategy and acquisition strategy. Since private Chinese senior care homes are operating in totally new business field where there is no much experienced information available in their own country, it is quite strong temptation to simply imitate the strategies that Western brands have followed. There is a danger that these companies are trying to expand their service offerings to international markets too early. Therefore, before these companies achieve global standards of competitiveness and distinctive capabilities in their core activities, they should concentrate expanding and managing their growth strategies in domestic markets. When the company operates inside the national borders it is easier to keep branding under full control of management. When the company wants to build successful brand, the investing resources on a continuous basis and maintaining the consistency of the brand is easier in the markets inside the national borders. Another challenge, alongside with the management control, in a new business field and markets is the time-to-market challenge. Consequently, before the company management chooses their brand strategy from many options available, they should carefully decide the timetable when they will launch and grow company's brand, and how long would they want this to take. The growing competition and the proliferation of new services and brands make it very crucial to the success of the company to act in the right time frame. (Roll 2006, 103- 105.)

When the time is right for the company to grow its brand, it has possibility to choose from one of those three above discussed growth strategies the one which suits best for its goals. It is also possible to select more than one and combine the ones which suits to the company's needs and requirements as time progresses. In these brand growth strategies, the management control level of the growth-oriented companies varies. (Roll 2006, 107.)

In organic growth strategy the company grows its brand portfolio without leveraging the equity of other brands. The growth is strived by expanding in the same or other markets by keeping the full management control over its brands. When the company has the full control on its brand, it can decide on its positioning and personality. Furthermore, the full control provides investment freedom and continuous management on its brand across all interaction between the brand and its internal as well as external stakeholders.

Because of the high resource requirements in this growth strategy, the companies could not be able to extend their brand beyond certain set of market segments or service categories and can even prevent the launching of new brands. This can be seen as disadvantage of this strategy. (Roll 2006, 107-108.)

Both, the alliance and acquisition growth strategies demand usually other companies presence in the form of co-operation or by acquiring other companies or brands. In alliance growth strategy, companies make strategic alliances with other companies to gain benefits for both parties by combining the strengths and leveraging the both companies' brand names. This form of strategy puts high requirement on management practices. The biggest disadvantages in this alliance growth strategy are the risk of confused brand positioning and brand's identities ineffective management. In acquisition growth strategy the companies acquire or merge other companies in order to grow. Furthermore, other brands can be acquired. In this strategy it is essential to evaluate the benefits against the costs. Acquisition growth strategy could be profitable and useful for those companies who are willing to grow outside home markets. In order to succeed in this strategy, the companies need to win the challenge of integration issues. There are basically four critical areas which need to be taken in to account for successful integration of the companies. These four areas are such as retention of key talent and managers, communication and integration of corporate cultures. The acquisition growth strategy is usually adopted by the companies with strong financial resources. (Roll 2006, 109-111.)

3.4 Brand implementation

In the brand implementation phase, which is the last step in process of building brand, all the strategies which were formulated in the previous steps of brand management model are now put in practice in marketplace. Foundation of the brand and its intended direction was build during those three previous phases. During the brand implementation stage the brand associations start to form in the customers' minds and in this phase the brand is brought to life. Those brand differentiators and brand attributes, which were identified by the brand audit process, are the elements on which the brand can be build on and are delivered through several touch points. These touch points are

the points of internal and external interactions between the brand and its stakeholders. In these touch points the brand has its ability to make an impact. In a basic touch point model there are four phases, which represent also the customer purchasing life cycle, and are usually named as pre-sales, sales, post-sales and retention phase. These touch points should be defined for each functions of the company. Since the strong brand equity is based on the total experience of what the customer receives through these touch points, it is obvious that branding is more than a marketing communications. For the management this defining process is challenging, because they must have a clear picture of what touch points the brand has, and based on that, to formulate the best possible way for functions and touch points to interact between each other. Internal and external factors must be carefully managed and monitored to implement the brand identity successfully. (Roll 2006, 112-116.)

3.5 Brand equity and valuation

Brand equity is defined differently in different companies. As a result, there is actually no universally accepted definition for this term. Many definitions focus on consumer responses since it is the customers' choices that determine the success of the brand or company. The customer is in fact the most critical component when defining the brand equity which is all about how they and employees as well as stakeholders feel about the brand. (Knapp 2000, 3; Roll 2006, 117.) According to the definition by Knapp (2000, 3), the brand equity is understood as quoted below:

the totality of the brand's perception, including the relative quality of products and services, financial performance, customer loyalty, satisfaction, and overall esteem towards the brand (Knapp 2000, 3).

If the brands are well managed, they represent revenue, profits and cash flow to company. The simplest definition of brand equity is the value of a brand. (Sexton 2008, 288.) What is essential to the term brand equity is that it is a value associated with a certain brand in the mind of the customer or in business administrative or operational measurements point of view (Ritchie 2009, 209).

Brand equity can be measured by using three different metrics which are knowledge, preference and financial metrics. The knowledge metrics measures the customers'

recognition of the brand and same time the customers' brand recalling level. Another important level while using the knowledge metrics are the customers' brand associations. Brand associations are attached to brands by usage and over time which are also the bases on how brand associations are formed. Brand associations are divided in two groups: functional and emotional. Emotional associations are stronger than functional ones. Emotional associations will create a stronger bond between the brand and the customer, and the abandonment of the brand to which the customer has emotional ties is always difficult. (Keller 2003, 64-68; Roll 2006, 118-121.) The preference metrics measures the customers' actions based on the awareness and associations and as a result of these, the preference metrics measures also the customers' level of liking and behavioral patterns towards brand. The preference metrics includes: familiarity, consideration, purchase, usage and loyalty, and these metrics show the customers' brand awareness, and commitment level. In the final stage, loyalty stage, the customers have deep and meaningful relationship with the brand, whereas in familiarity stage the customers have more knowledge about the brand than just the name of it. (Keller 2003, 68-69; Roll 2006, 121-123.) The financial implications of brand equity are measured with the financial metrics. These are used to measure the overall value that the investments made in building and managing brands generates to company. The financial metrics are: market share, price premium, revenue, transaction value, and lifetime value and growth rate. All these metrics, except the price premium and growth rate, can be divided into customer segments, product segment and geographical market. (Roll 2006, 123-124.)

Brand valuation estimates the total financial value of the brand; therefore, it must be distinguished from the brand equity. These two metrics measures different things. (Kotler et al. 2006, 302.) Until the 1980's, there was no generally accepted method to account intangible assets such as brands on the company balance sheet. Even though it was commonly accepted that these assets generated a large part of company value, it was difficult to justify the marketing and branding expenses used, because the benefits they produce for the company were difficult to prove. For the brand valuation there is still not available a universally accepted calculation formula and to measuring the results of the brand communications, there is neither available one correct research method. Reason for this is the abstract and intangible nature of brands. The price

evaluation of the corporate-owned brands has not yet been standardized unambiguously.
(Laakso 2004, 24-25; Herten 2006, 213; Roll 2006, 124.)

4 RESEARCH METHODOLOGY

In this chapter the research methodology of this thesis is explained. The outcomes of the conducted semi-structured email questionnaire interview and theoretical findings as well as my own experiences, observations and discussions during my internship period in summer 2009 in Le Amor Senior Living care home are analysed and concretised.

4.1 Research method and its justification

This qualitative thesis relies on the analytical study of the selected topic related relevant theoretical material. In addition, this work is based on the answers received from the open-ended semi-structured questionnaire interviews conducted with the case companies' high managers. For the thesis I used the qualitative method since I was more interested in researching the detailed structures of the phenomenon than making standardized comparisons and to do calculations for variance analysis (Silverman 2005, 7). In the qualitative research, in the variable degrees, the variable-thinking and statistical evidence is usually applied, but if the statistical analysis is used solely as an analysis method, then the nature of research is quantitative. (Alasuutari 1999, 33.) In this thesis I relied also on quantitative method. In order to understand the extent of the senior services markets, I needed to go through for example the statistics of demographic factors and the future prospects of these factors. The method of the thesis can be either qualitative or quantitative research method and it is also possible and suitable to combine both methods. Qualitative and quantitative analyses are often regarded as a continuum, rather than as opposites or as mutually exclusive models (Alasuutari 1999, 32; Metsämuuronen 2006, 87).

Since I chose to compare private senior care home services in Finland and China, there were difficulties to find up to date quantitative samples and data which are readily available, especially from China. My research is mostly based on Internet sources and written materials such as articles, statistics, Internet home pages, researches and journals. In addition to these written sources I used research material received from the open-ended semi-structured interview questionnaire. This research was carried out in one Finnish and one Chinese private senior care home. As the basic information for my

thesis I also used written electronic marketing material and Internet material concerning the Chinese and the Finnish company, if it was available and allowed to be used. In view of the Chinese company, I was also able to use my own experiences, observations and discussions during my internship period in summer 2009.

The most common academic writing and research information collecting methods are interviews, observations, questionnaires, and in-depth reading of pertinent written material. Each of these can be further divided into their own subcategories. It is also possible to combine more than one method. (Järvinen & Järvinen 2000, 153; Metsämuuronen 2006, 111.) In my thesis work I relied on more than one method since otherwise the valid information and material acquisition might not be possible. Since my thesis has different sources of information, material, and several data collection methods to be used and since I had to combine them and the various theories, an appropriate research strategy for this thesis was the comparative case study strategy. This strategy choice was supported by the selection of the companies studied in two different countries.

In the qualitative research method the research problem and questions need constant compressing and defining. To define my research problem, my objective was to find and use literature for the purposes of a thorough literature review and studies into the same or related to my topic which are in progress or completed. (Likitalo & Rissanen 1998, 18.) For theory I used mainly general books and writings of branding and marketing in English and Finnish, and searched for ways to adapt the information discovered from these sources for the use in silver industry care home services. Since in this research I dealt with two different countries and cultural backgrounds, I found it also important to add cultural points of view related to branding. For these I also needed to rely on related literature.

For a case study, it is typical to choose an isolated incident, situation, event, or series of cases as a research subject in which the review of interest are often processes. Individual cases are sought to be studied in their natural environments by describing in detail the phenomena under study. Describing the methods does not necessarily seek to explain the links between the phenomena, to test hypotheses, make predictions, but the goal is to systematically, accurately and truthfully describe the characteristics of the

study object. The case study method aims to explore, describe and explain the cases, mainly by seeking answers to how to and why questions. (Järvinen & Järvinen 2000, 78-85; Hirsjärvi & Remes & Sajavaara 2004, 125-126; Saaranen-Kauppinen & Puusniikka 2006.) In this thesis I study the private sector senior care home services' brand building and brand management in Finland and China with qualitative comparative case study method.

4.2 Implementation of empirical research

I carried out the research mainly as a qualitative research method since this method is suitable for the case study. In my thesis the objective was to find out how two private sector senior care homes are building and managing their brand when these companies are operating in two different cultural environments and how significant the care homes see the brand building. In addition, my objective was to study differences in service branding between China and Finland from the thesis topic's point of view. In my thesis the study is a case study which was carried out as a comparative case study between two companies. The case companies are Company F from Finland and Le Amor Senior Living from Beijing, China.

For the interview I selected individuals who have experience and best knowledge of the phenomenon and the subject under study in the case companies. I contacted the CEOs of the companies to inquire their interest to participate my thesis as interviewees. But since there were difficulties to find an appropriate time and way to conduct face-to-face interviews, it was agreed that I send the interview questions via email and interviewees can give their replies in a written form. Also the distance between the interviewees and the interviewer posed challenges to face-to-face interviews. Because of these reasons, the research was conducted by using the email questionnaire based on interview questions as a data collection method and it was agreed that I can make specifying questions if necessary. The questionnaire was formed as an open-ended semi-structured interview questionnaire, since I also included some basic questions where answers were possible to be given in a quantitative form. From Finland the CEO, i.e. Chief Executive Officer of Company F gave answers to questionnaire. Since in the questionnaire it was notified that efforts should be made not to reveal Company F's real name in my thesis,

therefore, for ethical reasons, also the company's CEO's name is omitted. From China, Ms. Karen Guo, the former COO, i.e. Chief Operating Officer of the company and company's present manager, Mr. Calvin Cai, gave answer to questionnaire on behalf of Le Amor Senior Living. I also met manager Mr. Cai in person in Beijing in the end of April 2011 during my visit in the company.

The semi-structured questionnaire interview questions were open-ended with thematic issue questions and the questionnaire followed the structure of the brand book presented by Sexton (2008, 306-307). With this email questionnaire interview I acquired information about brand thinking, brand management and methods of branding in the target companies. The aim was to find possible similarities and differences in these matters and also to find answers to my thesis research questions. The thematic interview was based on pre-formatted main themes and it proceeded freely depending on what issues the interviewee found important to tell. The open-ended questions were asked to acquire as comprehensive and wide-ranging answers as possible from the interviewees. Since my thesis interviews were changed to a questionnaire format, the answers were not as wide-ranging or comprehensive as they could have been if the interview had been carried out as a face-to-face interview. Now, when analysing the answers, I had to interpret the answers and then the opportunity for misinterpretation grows. To minimize this danger of misinterpretation, I did more specific additional questions to check if I had interpreted the answers correctly. The email questionnaire related to my thesis was sent to participants at the beginning of April 2011 with the cover letter. The response time was one week, extended to two weeks. The interview questions and their thematic sections are listed in Appendix 1.

It is common for the qualitative data analysis that the analysis phase often begins parallel with the data collection phase. In my work I used an analysis method where questions and answers were divided in to themes. This is one of the analysis methods for thematic interview material as well as a natural way of proceeding while analysing the thematic interview material. The semi-structured email questionnaire interview started with the basic background questions about the company and the respondent. After these questions, the questionnaire concentrated on the brand issues in three sections. Questions in the first brand section were dealing with the description of the company's brand. The second brand section was dealing the questions of the reasons to

brand and branding in case companies and the third section concentrated on maintaining the brand. The last part of the questionnaire concerned the publication of given replies in my thesis. In my questionnaire I had totally 27 main questions and some sub questions. While analysing the given answer, I also reflected them to my own observations during my internship period in summer 2009 in Le Amor Senior Living care home. Research results are based on these observations and replies to questionnaire.

4.3 Analysis and results

Since from Le Amor Senior Living there were two persons giving reply to this semi-structured email questionnaire interview, in this part of my thesis I will analyse their answers mainly as one reply. This is because the answers seem to complement each other, and also because one of the respondents was in the company in its initial phase and the other is the current manager. In this section of my thesis, from now on for the convenience reason, I will use the shortened version Le Amor from the company Le Amor Senior Living. The following, the answers to questionnaire are gone through the one company at a time, starting with Company F and following the answers from the company Le Amor immediately after. The summary on the issues raised of email questionnaire interview answers are presented in Table 1 on page 65 in this thesis.

The first thematic section of my open-ended semi-structured interview questionnaire concentrated on questions related to description of the company's brand. The CEO of Company F defines the brand as a company value, customers' perceived company image and publicity value. When asked, if the company has branded the company or its services and why, she answers it to be a marketing way. According to her, Company F stands out from its competitors in quality which is also the key benefits of the brand. The key association to brand promise is described as comfort and safety, and the logo and other identifiers create the consistency. The target customers of Company F are the elderly who need care and nursing, and the company brand meets well the customers' needs. The key associations, comfort and safety, are seen as really important factor to target customers. The company intends to keep the brand promise through daily work and training. The last three questions in this first thematic section concentrated on

management, development and the role of the employees in branding in the case company. Company F has an operating system, in which is described all the company's brand management issues, such as the responsibilities, mandate, organization charts, and meeting practices. The company's brand is built, developed and managed through monitoring and close control, in order to keep up with the brand specified operations. According to the CEO of Company F, the employees' role in the company's brand building and maintenance is the most important factor, since the entire senior care service operation is based on human work.

The second thematic section of the open-ended semi-structured questionnaire deals with the questions about the reasons of branding. For Company F the reason for branding is the fact that it gives the opportunity to succeed in the market. In other words, branding works as a competitive advantage in the markets. This argument is based on the company's view that the service brand is worth more compared to non-brand name, since the customer is not always able to evaluate the final product in services, but rather assesses the feeling. As was discussed earlier in theoretical part of this thesis, the branded services create the emotional feelings with customers and this way lead to long-term and strong relationships with the branded service company. This is due to the fact that the branded service company operates as an integrated comprehensive quality-making organization and, since the whole personnel lives the brand, the feeling conveyed to the customer is pleasing. When asked from the CEO, what kind of value Company F is giving to the customers and what kind of value the company receives from the brand, she replies that customers receive the security and confidence value from the brand and brand gives the company the value for work motivation and recruitment advantage. She says that the value of the service brand is difficult to determine, especially in monetary value, and the company has not done it yet. The third and last section of thematic questions deals with the issues on maintaining the brand. The company maintains its brand with graphic guidelines and forms, and with the Operations manual. The company's external marketing relies on word-of-mouth reputation marketing, since Finland is a small country and a good quality of the service creates a positive reputation for the company and a good quality and reputation will bring customers. Company F has impressive websites and brochures for the marketing purposes, but word-of-mouth marketing has been found effective in this business field.

In its marketing, Company F takes advantage of positive customer comments also on its Internet pages.

For the first thematic section questions related to description of the company's brand, the former COO Ms. Guo from Le Amor defines the brand as a symbol to which the people could relate the company and its products or services. According to her, Le Amor branded the company because they want the people immediately think of them when considering sending someone to senior housing. According to manager Mr. Cai, the branding is still on process of working in Le Amor. This is the present situation, since the company has made a decision to change its service concept to a little wider in order to serve better its customers and to meet better the needs of the present and potential future customers. Ms. Guo and Mr. Cai sees the company's competitive advantage over its rivals to be the fact that Le Amor is the first private senior services company offering an international presence in China. Furthermore, the company has a good location and environment, and personalized service. The company brand stand for the values and qualities of love, family values and helping each other. The company's logo implements in its expression these values, since in the logo there can be seen two persons holding hands under a house. These two persons also create a symbolic image of a heart. The key association and brand promise is described as love and family values. According to manager Mr. Cai, the key association and brand promise are now under a work being improved. The target customers are those seniors who are in need of company's offered services and who have retired at home but wish to join the group life and need care services. The demographic orientation of the target customers is now shifted towards seniors over 65-year old. Previously it was defined to be 55-year old or older. Ms. Guo sees that the company's customers are mainly seeking activities and companions against the loneliness and they are in need of care services. Le Amor can serve them quite well for these needs with the moderate pricing. Manager Mr. Cai points out that in order to meet the needs of its customers, the company can make adjustments as per the request of the customers and the company can provide them a better environment to live the retired life. The key associations to brand promise, i.e. love and family value, are seen as very appealing to customers, since that is what they seek for. The company intends to keep the brand promise, love and care, by continuing providing qualified care service. The last three questions in this first thematic section concentrated on management, development and the role of the employees in branding in

the case company. According to the received answers from the semi-structured questionnaire interview respondents, Le Amor brand is managed, built and developed through marketing and public relations methods. Based on to my own observations and also face-to-face discussion with the manager Mr. Cai, the company's brand building, development and management models and methods are under construction at the moment. The employees' role in the company's brand building and maintenance is to keep the brand promise and they are encouraged to constantly promote the image of the company.

The second thematic section of the open-ended semi-structured interview questionnaire deals with the questions about the reasons of branding. For Le Amor the reason for branding is the fact that it gives the opportunity to gain recognition and to offer long-term services. The former COO Ms. Guo explains that for the service company the brand building is very important as a representation of quality of service. In her view, a good brand attracts customers despite the fact that the service or product price would be more expensive than a non-branded product, but the brand maintenance is not easy. When asked from Ms. Guo about the value what the customer can receive from Le Amor's brand and about the value Le Amor's brand is giving to company itself, she replies that quality of the service is what the brand is giving to its customers and the company's received value is the customer source. She also says that the monetary value of the company's service brand has not been estimated. The third and last section of thematic questions deals with the issues on maintaining the brand. At the moment the company Le Amor has no style guides. The company's external marketing relies on advertising in newspapers, radio, magazines and TV. Participation in senior related activities, TV shows and seminars are also seen as effective marketing methods in Le Amor. The company has impressive websites, brochures and its own magazine for the marketing purposes. At the moment advertising and TV shows play the big role in marketing.

The above separately presented and analysed semi-structured email questionnaire interview answers are summarized in the Table 1 below. In order to clarify and facilitate the comparison, the analysis is presented in parallel and assembled by themes in this table.

Table 1. Summary of analysis of the answers, divided by themes

Themes	Company F	Le Amor	Notes
Theme I Description and definition of the brand	<ul style="list-style-type: none"> • Value and image approach • Clear segmentation • Employees' role 	<ul style="list-style-type: none"> • Image and social value approach • Clear segmentation • Personalized service • Position • Foreign connections 	<ul style="list-style-type: none"> • Brand knowledge and definition follows the general international brand definitions
Theme II Reasons for branding	<ul style="list-style-type: none"> • Competitive advantage • Emotional aspect • Increase in value • Security and confidence • Work motivation and recruitment advantage 	<ul style="list-style-type: none"> • Sustainability and consistency of services • Quality representation • Customer source • Higher pricing 	<ul style="list-style-type: none"> • Brand monetary value unestimated and uncalculated
Theme III Maintaining the brand	<ul style="list-style-type: none"> • Operations manual (internal) • Word-of-mouth reputation marketing (external) 	<ul style="list-style-type: none"> • Media marketing (external) • Own magazine (internal/external) • Training and festivities (internal) 	<ul style="list-style-type: none"> • Le Amor : no style guide at the moment

When analysing the answers in brand maintaining theme section, neither Company F nor Le Amor actually directly mention that they have an internal and external marketing in the company. External marketing issues are more clearly indicated than internal marketing issues. However, there are signs of internal marketing existence in both companies, although it is not clearly stated. According to my interpretations of answers, the Operations manual of Company F refers to the existence of internal marketing. Whereas in Le Amor, the festivities which are from time to time organized for personnel, brings a sense of belonging and promotes the company and its values to its employees. Furthermore Le Amor publishes company's own magazine, which also serves as an internal marketing tool. As is stated in Table 1, in notes column of first theme row, the brand knowledge and definitions of the brand follows the general international brand definitions in both companies. These general brand definitions were discussed in subchapter 2.1 starting on page 16 in this thesis.

When analysing the above discussed semi-structured email questionnaire interview answers from my thesis research questions' perspective, I can first of all to note that a service brand building and management is difficult, because the product in the case companies is intangible and abstract in nature. Company F has an operating system, which describes all the company's brand management issues, such as the

responsibilities, mandate, organization charts, and meeting practices with the inclusion of monitoring and control system. Contrary to Company F's system, the case company Le Amor's brand building is concentrating at the moment mostly on making the brand known by marketing and brand awareness promotion methods. Le Amor can be seen to be in the brand identity building phase at the moment, when comparing its actions towards the brand management model described in this thesis. In other words, at least its efforts are there now. Even though the company does not describe its brand management model in replies to my thesis questionnaire, but the holistic analyses of the answers indicate that the company has a brand management model, but it may not yet necessarily be clear. The reason for this might be that Le Amor is at the moment reorganizing its operations and branding. Le Amor's brand building process progresses, however, to a wide extent in same way as the brand management model described in this thesis.

Both companies see the important role of their employees in their branding process. As was mentioned in the cultural difference subchapter 2.5, the different power distance levels in management hierarchy in Chinese and in Finnish company cultures has its impact on how strong the employees' role is seen inside the organization on branding and promoting the brand. In Company F, the employees' role is seen as the most important part of the brand and their participation in building and maintaining the brand is seen essential. In Chinese companies the employees' role in branding and brand maintenance is often seen as of a tool or implementer, not so much as a part of the brand. In Le Amor the employees are seen as implementers of the brand and brand promise. Unlike the mentioned general Chinese trend, Le Amor has however expanded the employees' role in service branding, by encouraging employees to constantly promote the company's image. The company is restarting its branding process by training its personnel. Consequently, in this matter, the company's shift towards the live-the-brand thinking is already seen. This live-the-brand thinking was discussed earlier in brand building theory section subchapter 2.2 on page 22 in this thesis.

Deriving from the findings from the two case companies, the brand building and management methods in the Chinese and Finnish senior care home services do not have extensive differences. Both companies have determined their market situation, their competitors and target customers. The brand promise seems to be thought of more

precisely in Le Amor than in Company F, but this is only an interpretation based on the given answers. From the management point of view, it can be concluded that neither of the companies have estimated nor calculated the monetary value of the brand. But since these are service brands, it is by no means unexpected, because the monetary value of the service brand is difficult to measure.

Concerning my thesis research question about the given value to customers, Le Amor emphasises the quality of service and long-term relationship between the company and the customer. The company provides the solution to customers "empty nest" problem and offers a high quality health care services and accommodation in a safe environment. Furthermore, with the good brand reputation and company image the customer can be certain about the price-quality relationship of the company's services. The term "empty nesters" refer to seniors who live in their home, without their children (Zhang 2011). Company F in turn emphasises the need to offer added value to its customers in the form of trust and security. Both companies indicate that branding sets standard requirements for the company's services and service quality. For Le Amor's part it should be noted that the company emphasises community and social contacts as values given to the customer. This is clearly a culture-related view and a really important element of the Chinese senior care home service branding sector. While, the Finnish culture, which is individual-centred, does not emphasise so much the importance of social contacts, even though these are important for the Finnish seniors too.

One of the biggest differences between these two case companies can be found when asked what kind of value the brand is giving to company itself. For Le Amor, the brand creates value by giving the customer source. This implies that when the company's brand helps it to gain recognition and creates a reputation for good service quality, it ensures the market demand towards the company and will bring customers. For Company F, brand creates value by providing motivation to work and by acting as a recruiting benefit. This difference in answers can be seen as interesting. When considering this difference, it can be noticed that the case companies are discussing basically the same issue, but from a slightly different point of view. Le Amor seems to use a more commercial or straightforward way of thinking. Both companies eventually end up at the same outcome, i.e. obtaining customers. Company F's approach is also commercial, but the thought goes in the working environment driven way. When the

working environment is comfortable and supportive, it maintains staff motivation. This in turn will increase the company's reputation as a good employer. Due to the good employer reputation and the well-known brand reputation, the excellent customer servants and nursing professionals seek the employment from this company. This will improve the company's reputation and lead to brand growth. As a result, customers feel comfortable and enjoy their lives in the premises of this company. Due to this, demand towards this company's services grows in the market. In summary, it can be concluded based on this that Company F has perceived the importance of the working environment and the employee satisfaction for the company's brand, and the branding trend is the company branding through employee branding. The employee satisfaction and loyalty leads to customer satisfaction and loyalty, which will furthermore lead to an increased sales. These differences in views can be considered, at least partly, to be based on cultural differences in the power distance levels of the company hierarchy. The employee branding issue was discussed in chapter 2 and also briefly in the brand identity section of chapter 3 in this thesis.

Another surprising difference was found in the marketing methods. As was mentioned in the cultural difference section in subchapter 2.5 in this thesis, a very important and effective product and service marketing method in China is a word-of-mouth marketing. However, according to the answers to my semi-structured questionnaire interview, the Finnish senior care home is the one to rely on the power of reputation and word-of-mouth marketing method. Whereas the Chinese company uses a wide variety of marketing and advertising channels, but the representatives of the company do not mention at all the word-of-mouth marketing in their answers. This on the one hand confirms the argument, which was presented in subchapter 2.5 on page 42 in this thesis. According to this argument, the companies who have worked less than two years will benefit more from advertising in various media, while the companies who are older will benefit predominantly from the customer's word-of-mouth marketing.

The last research question asks what kind of competitive advantage these brands are giving to the case companies. According to Company F, it gains a competitive advantage because as a brand its services are considered more reliable, higher quality and safer than its competitors. The same issues will also ensure the potential employees' interest towards the company. As a result, as a well-known brand, the company has a

competitive advantage for both the customer and employee markets. According to Le Amor, as a brand the company gains recognition and public awareness, and it emphasise the quality of its services compared to other competitors in this business sector. At the same time the company can price its services a little more higher than the competitors, but still attract and obtain clients. Because Le Amor is the first China based company with international presence and expertise, it creates a positive competitive advantage over other actors in the industry.

The following Table 2 clarifies the above discussed results of analyses related to the research questions. In the first left column of this table there are simplified versions of the research questions. Next two columns indicate differences found between these two private sector senior care home service companies compared with each other. The last column, i.e. the fourth from left, presents the clear similarities which stand out while analysing and comparing the answers related to my thesis research questions.

Table 2. Comparison of analysis results related to research questions

Research questions	Company F	Le Amor	Similarities
Way of building and managing the brand?	<ul style="list-style-type: none"> • Operating system with monitoring and control • Company branding through employee branding • Word-of-mouth and reputation marketing 	<ul style="list-style-type: none"> • Not clear brand management model • =>Reorganizing and under work • Media marketing 	<ul style="list-style-type: none"> • Brand monetary value unestimated and uncalculated
Differences in brand building and brand management methods?	<ul style="list-style-type: none"> • Employee as a part of brand • Low power distance index 	<ul style="list-style-type: none"> • Employee as an implementer • High power distance index 	
Added values created to customers by branding?	<ul style="list-style-type: none"> • Trust and security 	<ul style="list-style-type: none"> • Service quality • Long-term relationship • Social contacts and community • => "Empty nest" solution 	<ul style="list-style-type: none"> • Set standar for services and quality • Safety
Competitive advantage received by the company by branding?	<ul style="list-style-type: none"> • Requitment benefit 	<ul style="list-style-type: none"> • Customer source • Recognition and reputation • Higher pricing • Demand of services 	<ul style="list-style-type: none"> • Outcome: obtaining customers • Set quality requirements

The answers related to research question of differences in brand building and brand management methods in China and in Finland, i.e. the second row in this Table 2, did not indicate such similarities that they could have been presented in similarities column. Even though, Le Amor is encouraging and training its employees to promote brand

constantly, it might be considered to be difficult. In China, the strengthening of employees' role as a working organization's developing factor can be challenging. It does not happen all of a sudden and might need a long time to implement. Even though the company would like to introduce new, more transparent and less hierarchical management models for its operations, it may not be possible if the employees' perceptions and attitudes are against changes.

When analysing the findings from the theoretical material and when relating them to the collected material from the semi-structured questionnaire interview, it can be seen that senior care home services branding and marketing have some special features compared to other services. The long-term nature of senior care home service relationship makes it a special case in the service sector business. This emphasises the importance of the brand internalization of the company's personnel, the service quality consistency and constant development needs. Furthermore, in marketing communications it must be taken in to consideration that the special feature of branding and marketing the senior services seems to be the word-of-mouth marketing. This is an explicit characteristic for both Finnish and Chinese cultural environments. Consequently, the word-of-mouth marketing is not actually a culturally related feature in this business sector. In general, the most important elements in branding and marketing the senior care home services seem to be the company's image created to customer's mind and the confidential relationship between the company and the customer. Customer relationships in senior care home business should be based on family-community thinking model, rather than merely of the simple customer relationship model. In fact, frequently the residents of the senior care homes have more social interaction with other residents and other stakeholders in their community than with the members of their own family or relatives. Therefore, it is important that in the customers' minds the company creates a community or communal type image rather than a corporative type image of its activities and operational environment. The success of this is based on the fact, how well the company has managed to create its identity and personality.

When discussed, in summer 2009, with the Operational manager of Le Amor (2009b), he pointed out that it is difficult to find a balance between the senior services and to profit making objectives of the business. On the one hand the company's mission is to provide profits for its investors and shareholders, but at the same time the company's

mission is to manage its own share of social obligations. The company has to offer solutions to the problem of many families and the whole society, but at the same time to try to find a solution on how much it may be appropriate to make money from the problem solving solution it offers. Since quite often still these kinds of senior services are provided by non-profit organizations and this might cause contradiction in peoples' minds. In summer 2009 in Beijing, I also had an opportunity to discuss with Mr. Hoffmann and Mr. Teerink, two European specialists in geriatrics and senior care services. They pointed out that when the company is dealing with elderly, the company needs to understand what customers are accustomed to. For the senior care service company it is essential to take into account customer orientation, and in particular to listen to what the customer wants, not only to provide the environment and the services which are excellent from the company point of view. For most of the seniors, the safety and comfortability of living environment are most important factors, and that there is a possibility to bring something familiar with them as for example their own furniture. When considering the commercialisation and productisation of these services, it is essential to understand that seniors are offered the continuity and stability of services, care and accommodation. This way it is ensured that they can live the final part of their lives in familiar surroundings in safe conditions without any fear of constant major changes.

5 CONCLUSIONS AND CONSIDERATIONS

In this chapter the conclusions and considerations of the conducted research are presented. Furthermore, the conducted research and the working process is evaluated and discussed. Finally, some suggestions for the future research over the topic or related issues are presented.

5.1 Conclusions

The objective of the research was to study and find out how the private sector senior care home services are branded and how significant the care homes see the brand building. In addition, my objective was to study the differences between China and Finland in branding and especially service branding. The results of the research provide several insights into the branding process and brand thinking in these two case companies representing different cultural environments. By comparing these two case companies based on Finnish and Chinese cultural differences, the results cannot be perceived as completely accurate. It should be noted that the Chinese company's branding and brand management is largely based on Western brand thinking, but is applied to its operating environment, i.e. the Chinese market. Therefore, the company cannot be used as a pure example of an original Chinese branding process. This finding might, however, be considered to be as one good example of corporate and world globalization. Even small and medium enterprises, i.e. SME companies, are today more easily and more quickly influenced by the worldwide ideas and business thinking methods than before, since the intake circuit of influences has grown out of the companies' own immediate environment. However, these ideas and business thinking methods are rarely useable as such without any modification. Therefore, the companies must have knowledge and competence to be able to apply the found ideas and models to fit in their own operating environment and culture.

When branding and marketing the services for the seniors, and in particular the senior care home service sector, it should be taken into account that the customer encounters and is involved in the brand on a daily basis, even possibly for decades. Consequently, this is a long-term relationship with the company's brand and the customer. It is

therefore important that the company understands the importance of the employee's role as a builder, maintainer, and developer of the brand, but also that the customer has an equally important role in this task. Personnel should internalize the brand, and to live in it constantly so that the brand will also be conveyed to customers. In senior care home services branding and marketing, the concept of customer should be forgotten, and treat customers as valuable guests, or rather as the family members. The company should also remember to develop its brand constantly. In these companies' case it did not come out clearly how they have taken this issue into account in their operations.

The reason why senior care home services brands and branding were chosen to be the topics of this thesis is the fact that branding is quite a topical issue at the moment and the information and research available concerning this branding sector are scarce. This sector is also a growing business industry in the future, but its marketing and branding have not yet been paid too much attention to. The senior service markets have become increasingly competitive and the importance of branding has grown as a way of differentiating from the competitors. This research was conducted not only out of plain curiosity towards brands and private sector senior care home services, but also in order to be able to provide the Finnish and Chinese senior care service companies with some answers to the questions of why and how to market and brand their services in the future. It would be interesting to see if the companies mentioned in this research would purposefully start developing their branding and if some new senior care home services companies would be inspired by branding.

My objective was to write a thesis that would serve several different directions, including the case companies, myself and others interested in this topic. The results of the research and at the same time the gathered information and findings in theory part can be helpful for those senior care home companies who are at the stage of starting to brand or just considering branding their services. The theory section of this thesis gives its readers a possibility to increase their knowledge concerning what service brands are and how they could be built and managed. It also shows how difficult the branding and marketing of services are in general, and in particular the senior services. The mere definition of the concept senior is complicated because the concept has no standard meaning.

5.2 Evaluation and considerations

For writing the theory section it was necessary to use to a large extent an exploratory, contemplative, and applied approach, since there was a limited availability of theoretical material for marketing and branding of senior services. This was an intriguing finding, considering the potential market and their share of all service markets. In my work, in the theoretical part, I focused on finding solutions concerning service branding, which would be suitable for branding the senior care home services. Because of the long-term nature of senior care home services, the employee branding occupied a large part of the service branding theory in this thesis.

The interviews of the research could not be conducted as was planned. The aim was to make interviews face-to-face or by phone, but because of the various reasons the interviews were changed to a semi-structured email questionnaire format complemented by follow-up messages for specificity of the replies. The same questions were asked exactly in the same way in this semi-structured email questionnaire interview. The same questions were planned to be asked in face-to-face interviews. Clarifying additional questions were included in the questionnaire. Partly this was a good solution since this way the answers were documented at the same time and by real words from the respondents. On the one hand, I have to admit that in some extent this practice may not have been the best solution. After starting to analyse the results, and referring to the style of the answers, I realized that all questions had not been understood in the expected way since the respondents may not have had the expected understanding of the concepts and words used in the questionnaire. Some answers were short to give a full picture of the respondent's way of thinking in each particular question or theme. It is also possible and even likely that the representatives of the case companies did not want to give an answer to all the questions. The company's marketing and branding information are however the company's equity and an important asset for competition. However, despite of this, based on to the answers, it was possible to create an image of how the case companies have built or are building their brands and how the brand is managed. The branding of the case companies takes place in two different cultural environments. During the research, the culturally related differences were discovered, although not to the extent that was expected

When making a questionnaire research, it is good to take into account its associated disadvantages and to understand the restrictions of the reliability of the material. According to Hirsjärvi et al. (2004, 182-184), questionnaires is a possible way of data collecting method in qualitative research, because qualitative research does not necessarily imply a close contact with the subjects. But in order to achieve a better understanding and view of the matter, questionnaires should be used in conjunction with other methods, such as for example with the observations. The evaluation of the reliability of a qualitative thesis is challenging since in general there are no clear-cut indicators to measure the reliability of qualitative research. Indicators are designed for use in the quantitative research evaluation. (Tuomi & Sarajärvi 2002, 131, 133.) However, qualitative research focuses on the respondents' opinions and views as well as competence and knowledge towards the researched matter, as well as willingness and interest to give answers to the questionnaire. Furthermore, the interpretation of the answers imposes restrictions on the reliability. (Tuomi & Sarajärvi 2002, 134; Hirsjärvi et al. 2004, 184.) Due the previously discussed reasons, my thesis semi-structured email questionnaire interview answers were not as wide-ranging or comprehensive as they could have been; therefore I had to interpret the answers. As a result, the opportunity for misinterpretation grew. To minimize this danger of misinterpretation, I did more specific additional questions to check if I had interpreted the answers correctly.

Even though the official Chinese statistical data was not readily available, or at least not in English, the articles and Internet sources used in this thesis can be regarded as reliable and valid sources of these data. To ensure the reliability and validity of the data, it was checked from several sources when possible. If an article or Internet source referred to the otherwise reliable source from which the material or data was obtained, the material and data was considered to be relied on as such. Since the aim of this thesis was to study the branding and its methods as a phenomenon in different cultural environments through these two case companies, the research can be regarded as reliable and valid based on the study of the used theoretical material and of these companies. However, the results and findings are not generalisable, even though they give an indication of the general thinking and support the overall view of people over the studied issue.

When conducting and writing this thesis, the three most challenging factors that affected my working process were the chosen language, adaptability and availability of the theoretical material and different variables affecting the schedule. Most of these variables were unexpected, and such to which I did not had much possibility to influence or to intervene. When analysing the process of working this thesis I can admit that some of the things I could have done differently. Starting the interviews took too long time, so they should have done immediately at the beginning when the theoretical framework was clearly limited. However, the theoretical framework of my work lived and developed throughout the working process, since the obtaining of material and finding the right direction took time. The main reason for this was that the working process was exploratory, since the information and research available concerning this branding sector are scarce.

For me, as a student working to complete this thesis, the most important parts were application ability of the collected theory knowledge to discuss my topic and objectives, formulating the open-ended semi-structured email interview questionnaire and analysing as well as processing the answers. During the process of working I found it particularly important that although relevant information about the chosen topic was not readily available, I was able to combine the various theories and apply the material collected to my case companies' contexts.

5.3 Suggestions for future research

Since it seems to be evident that, in near future, branding of senior care home services will be one essential way to survive in intensifying competition of the growing number of customers both nationally and globally, this thesis could work as a basis for other research. During the thesis working process some suggestions and ideas for the future research came up. Since, the study in this thesis focused on brand building and brand management methods of private sector senior care home services in two case companies originating from different cultural environment, the similar case study between Finnish private sector senior care home companies would enlighten the present situation in the domestic markets. Furthermore, customer satisfaction surveys or market research in this business field could provide the necessary information of Finnish customers' needs and

perceptions. In addition, this thesis could work as a basis for a research on how to plan a branding strategy for a senior care home company or what kind of marketing and branding models could be developed for the family way of thinking in these companies. In near future the number of customers with immigrant background will also increase in senior services business. Therefore, the survey for their customers' service expectations and needs could be a necessary and topical research topic.

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APPENDIX

LIST OF INTERVIEW QUESTIONS –EMPIRICAL STUDY

Below are the interview questions and their thematic segmentation that were used in this thesis as the open-ended semi-structured email questionnaire interview. In addition, the clarifying additional questions are also included.

Basic background information

1. Name and age of the respondent
2. Position in the company
3. Official name of the company and year of establishment
4. Annual turnover
5. Number of personnel
6. Number of care homes, rooms and beds
7. What kind of services your company provides?

Part I: Description of your brand

1. What is a brand? Please give your own definition on brand.
2. Have you branded your services or your company? Why did you choose this solution?
3. How do you stand out from your competitors?
4. What does your company brand stands for? What kind of qualities do you associate to your company? What kinds of company image are you strive to create? What resources and means are used to implement it?
 - a. Logo and other identifiers?
 - b. Key benefits?
 - c. Key associations – the brand promise?
5. Who are your company's target customers?
 - a. Demographics or other descriptors?
 - b. What are the needs of your target customers?
 - c. How will your company brand meet those needs?
 - d. How have you priced your services?

6. How would you describe your brand promise?
 - a. What is its significance to your target customers?
 - b. How will you keep the promise?
7. Describe your brand management system or model, how many steps are there and what are included in these steps.
8. How is your company's brand build, developed and managed?
9. What is the role of your employees i.e. the whole personnel in building and maintaining your company brand?

Part II: Reasons for branding

10. Why have you branded your services or company?
11. Have you estimated your company's brand monetary value? If "yes" please describe how you did it, if "no" please give the reason why not.
12. Why, in your own opinion, service brands are more valuable than non branded services or are they?
13. What kind of value your company brand is giving to the customers?
14. What kind of value your company brand is giving to your company?

Part III: How you maintain your brand

15. What kind style guides are used in your company? What parts are included and why? Who in your organization is aware of your company's style guidelines?
16. How do you market your brand? Describe your marketing methods and why you have chosen the ones you are using.

Final part: Some questions related to publicity of your company or you in my thesis

Your answers to this questionnaire will be treated confidentially. For this thesis I have interviewed two companies, one from China and one from Finland. After the completion, this thesis is disclosed to the electronic database of the Lappia educational corporation's library.

17. Company name can appear on the thesis?
 - a. Yes
 - b. No

18. Your name can appear on the thesis?

- a. Yes
- b. No

19. I can use the publicly available material / those Power Point presentations of your company, which are in my possession, presenting the case companies to the extent that is necessary for my thesis.

- a. Yes
- b. No

If the answer is negative, the company will be presented anonymously, either as Company Y or just as the Chinese / Finnish senior citizens' service company by using such expressions from which the company cannot be clearly identified.

20. Do you have some open comments or something to add to this survey or related to my thesis?