

BRAND IDENTITY AND ASSOCIATION STUDY

Case: Rollsteel Machine Oy

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Abstract <p>The topic of the thesis is branding, brand identity and brand associations. It was assigned by Rollsteel Machine Oy Ltd., a manufacturer of industrial machinery in Kuopio, Finland. The research problem was to explore Rollsteel's brand identity and the brand associations currently held by its customers and business contacts.</p> <p>When a company, service or product is branded, the goal is to create additional value and benefits for the consumer and company alike. A key strength of brands is effective and simple communication of complex ideas and concepts. This communication leads to the creation of certain expectations towards the company and/or product which, if fulfilled, increase the consumer's trust and loyalty towards the brand.</p> <p>Brand identity is the driver of brand image and associations. It is based upon, among other things, the company's core values, competitive advantages and strategic business goals. Opposite brand identity stands brand image and associations, which consist of ideas and assumptions formed in consumers' minds regarding the company or product. To put it simply, brand image and associations are how the outside world perceives the brand.</p> <p>The empirical part of the thesis deals with the brand identity of Rollsteel and the brand associations held by its customers and business contacts. The primary research goal was to uncover the current state of Rollsteel's brand identity and what direction they wish to develop it. The secondary goal was to find out how the company is currently perceived by clients and potential clients alike and whether or not these results match Rollsteel's goals and their own perception of their current situation.</p> <p>The results indicated that the brand identity of Rollsteel is somewhat established and has a clear direction and purpose despite the management of the company never having discussed the subject internally. However, there is a clear need for a structured approach to the matter. The results of the brand association study showed that Rollsteel is definitely focusing on the right things and the company is, for the most part, favorably perceived in the key areas they are focusing on in their marketing efforts.</p>		
Keywords Brand, identity, associations, B2B branding, organizational branding		
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Työn nimi BRÄNDI-IDENTITEETTI JA -ASSOSIAATIOTUTKIMUS Case: Rollsteel Machine Oy		
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Tiivistelmä <p>Opinnäytetyön aihe on brändääminen, brändi-identiteetti ja brändiassosiaatiot. Toimeksiantajana oli Rollsteel Machine Oy, Kuopiossa toimiva teollisuuskoneita valmistava yritys. Työn tutkimusongelmana oli tutkia ja selkeyttää Rollsteelin brändi-identiteettiä sekä sen asiakkaiden tällä hetkellä pitämiä brändiassosiaatioita.</p> <p>Kun yritys, palvelu tai tuote brändätään, tavoitteena on luoda etuja ja lisäarvoa sekä asiakkaalle että yritykselle. Eräs brändien suurimmista vahvuuksista on se, että ne pystyvät tehokkaasti ja yksinkertaisesti viestimään monimutkaisia ideoita ja käsitteitä. Tämä viestintä johtaa tiettyjen odotusten luontiin yritystä kohtaan ja mikäli ne pystytään täyttämään, kuluttajien luottamus ja uskollisuus brändiä kohtaan kasvaa.</p> <p>Brändi-identiteetti ajaa brändi-imagoa ja -assosiaatioita. Se perustuu muunmuassa yrityksen arvoihin, kilpailuetuihin ja strategiaan liiketavoitteisiin. Brändi-identiteetin vastapuolella on brändi-imago ja -assosiaatiot, jotka koostuvat kuluttajien mielissä muodostuneista ideoista ja odotuksista yritystä tai brändiä kohtaan. Yksinkertaisesti sanottuna, brändi-imago ja -assosiaatiot se, miten ulkomaailma näkee ja kokee brändin.</p> <p>Opinnäytetyön empiirinen osa käsittelee Rollsteelin brändi-identiteettiä ja sen asiakkaiden pitämiä brändi-assosiaatioita. Päämääräisenä tutkimustavoitteena oli tutkia ja kehittää Rollsteelin brändi-identiteettiä. Toissijaisena tavoitteena oli selvittää, millä tavoin sekä asiakkaat että potentiaaliset asiakkaat tällä hetkellä näkevät Rollsteelin ja vastaavatko nämä tulokset Rollsteelin sisäisiä tavoitteita ja omaa näkemystään tämänhetkisestä tilanteestaan.</p> <p>Tulokset viittasivat siihen, että Rollsteelin brändi-identiteetti on ainakin jollain tavoin tiedostettu ja sillä on selkeä suunta ja päämäärä siitä huolimatta, että yrityksessä ei ole aiheesta vielä sisäisesti juurikaan keskusteltu. Järjestelmälliseen lähestymistapaan aihetta kohtaan on kuitenkin selkeä tarve. Brändiassosiaatiotutkimuksen tulokset näyttivät, että Rollsteel selvästi keskittyy oikeisiin asioihin ja yrityksestä on suurilta osin hyvä kuva niissä alueilla mihin yritys keskittyy markkinointiviestinnässään.</p>		
Avainsanat (asiasanat) Brändi, identiteetti, assosiaatiot, B2B brändääminen, organisaationaalinen brändääminen		
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CONTENTS

1	INTRODUCTION	3
2	THEORY OF BRANDING	4
2.1	Definition & History	4
2.2	Brand functions and advantages	5
2.3	Brand relevance	7
2.4	How do brands create financial value?	9
2.5	Brand Equity	11
2.6	Brand Identity	12
2.7	Brand positioning.....	17
3	CASE: ROLLSTEEL MACHINE OY	19
3.1	Research methods for the brand identity study	19
3.2	Brand identity interviews	21
3.3	Research methods of the brand association study	25
4	CONCLUSIONS AND SUGGESTIONS	41
4.1	Brand Identity	41
4.2	Brand associations.....	43
5	SUMMARY	45
	SOURCES.....	49
	APPENDICES.....	51

FIGURES

FIGURE 1..... 17
FIGURE 2..... 27
FIGURE 3..... 27
FIGURE 4..... 28
FIGURE 5..... 29
FIGURE 6..... 29
FIGURE 7..... 30
FIGURE 8..... 31
FIGURE 9..... 31
FIGURE 10..... 32
FIGURE 11..... 33
FIGURE 12..... 34
FIGURE 13..... 34
FIGURE 14..... 35
FIGURE 15..... 36
FIGURE 16..... 36
FIGURE 17..... 37
FIGURE 18..... 37
FIGURE 19..... 38
FIGURE 20..... 39
FIGURE 21..... 39
FIGURE 22..... 40

1 INTRODUCTION

The topic of this thesis is branding, the creation of a brand identity as well its counterpart, the brand associations held by customers. The thesis was assigned by Rollsteel Machine Oy Ltd, whose management expressed desire in starting to develop a brand for their organization. The scope of the thesis was limited to the study of Rollsteel's brand identity and brand associations held by their customers and business contacts. This led to the premise of the thesis which is that Rollsteel has yet to discuss or lay concrete plans regarding their brand and are unsure as to where to start. As such, it was concluded that it would be best to begin the process by determining what the state of their brand identity is currently and what direction they wish to begin developing it. This was followed by a brand association study which aimed to discover if customers' current perceptions of the company match the qualities and traits Rollsteel as a company wishes to promote.

The empirical section of the thesis comprises of interviews with the management of Rollsteel regarding their brand identity as well as a brand association survey which was carried out to get an idea of whether or not Rollsteel is focusing on the right areas and if their efforts are bearing any fruit. The identity study was carried out using a qualitative research method. Specifically, half-structured interviews were conducted with three key Rollsteel management personnel. This approach was selected in order to gain different perspectives on the same questions, which in turn were aimed at uncovering information that had not necessarily been consciously thought of yet. The brand association study, on the other hand, was carried out in a strictly quantitative manner. The study consisted of a customer survey where the questions were selected based on answers given in the interviews with the company management. The survey was mainly a mixture of multiple choice questions as well as questions where the respondent was instructed to reply on a scale of one to seven (1-7) to indicate the strength of their opinion. The survey was targeted at a mix of existing Rollsteel customers as well as companies Rollsteel had been in negotiations with during the previous 6 months.

Structurally, the thesis can be divided into three main parts in addition to the introduction. First of all, chapter 2 is the theoretical section, which discusses the concept of branding and brand identity. Among other things, this portion introduces the benefits of branding, their relevance in a B2B environment as well as a model for (de)constructing a brand identity. Chapter 3 deals with the study itself as well as the results, while chapter 4 draws conclusions and suggestions based on the results laid out in chapter 3. The fifth and final chapter summarizes and concludes the thesis.

The theoretical framework for the thesis consists of branding and, more specifically, the concept of brand identity which is the driver of brand associations.

2 THEORY OF BRANDING

2.1 Definition & History

The word 'brand' harkens back to the branding of cattle and livestock as a way to identify them as someone's property. In modern use, branding has been around for over two hundred years, becoming a way to differentiate a product from competitors during the Industrial Revolution in the mid 1800's, as opposed to being simply a way to, for example, identify the craftsman of a piece of pottery. Some of these brands are still around today, with one of the oldest being Twinings tea, dating all the way back to 1706. (Riezebos 2003, 2-3.)

Value of brands becomes apparent

The concept of brand equity surfaced in the 80's, amid the realization that a brand is perhaps the most important asset a company has. Brands were no longer some nebulous marketing construct; instead they were actual assets that needed managing in order to foster growth. Not only that, but brands also represented financial value in addition to strategic value (taking over a rival brand practically equates to buying more market share), as evidenced by the Rowntree and Verkade takeovers in the 80's by Nestlé and United Biscuits, respectively, where the buyouts were many times higher than the book values of the companies. Companies also became more wary of

damaging their brands after Coca-Cola's ill-fated experiment with New Coke, a change to the classic formula which rated higher in blind taste tests while simultaneously enraging loyal customers who were accustomed to the classic taste and were resistant to change. This illustrated that a customer's experience with the brand and the product do not necessarily mirror each other. (Riezebos 2003, 8-9.)

2.2 Brand functions and advantages

A brand can be used to communicate information regarding a product or the company itself very effectively. Customers will always make certain associations to regarding products they use but branding lets the company drive those associations in a particular direction. Information efficiency is especially critical with complex products that have many different attributes that require comparison which makes it confusing or time-consuming for the customer to do (Kotler 2006, 43). This also leads to many customers returning to the brand, as long as they have had a good experience with it, since they now know what to expect and trying another brand may seem like a gamble.

Indeed, another important brand function with more expensive and complex products is risk reduction. A recognizable brand creates a sense of trust for the customer as far as expectations regarding the performance of the brand go (Kotler 2006, 44). It does not matter if the particular product is not the best within its product class as long as it feels like a safe option.

If customers connect a product to a certain use or occasion, that is great. If they connect a certain use or occasion to the product, that is fantastic. These connections are difficult to make but branding makes it possible to create complex and abstract associations in the mind of the customer which, according to Aaker (1991, 39) are very effective at inspiring brand loyalty and keep customers returning to the brand despite superior offerings elsewhere, provided that the brand manages to deliver on its promises.

As with stock prices, the perception of any given brand is generally more important than reality. Certainly, delivering on the promises made is critical, especially if you want repeat business, but when it comes to differentiating yourself from your competitors in the mind of the customer, perception is key. Trout & Rivkin (2000, 69) explain that every aspect of your communications ought to reflect your difference(s); your website, your brochures, your sales presentations. The purpose of branding is to elevate a product to represent something more than just a solution to a singular need. After all, brands cannot be easily imitated, while the functional benefits themselves can be.

According to Knapp (2000, 9) the primary objective of genuine brands should be to add value to people's lives and thus the greatest differentiation stems from this instead of the production process related to the product itself. Ideally, adding value extends beyond the actual use of the product. For instance, in addition to keeping yourself warm, clothing brands can be used to express your identity as a person outwardly, perhaps by aligning yourself with a certain group or striving for uniqueness (conformity vs. individuality).

Miller and Muir (2005, 80) argue that as choices presented to consumers multiply, people just want to simplify their lives. Especially with complex and expensive products, both the company and the customer benefit from a clear, strong brand as it can be used to simplify the information that needs to be conveyed. For instance, a life insurance policy can be a tricky product to sell, as many people are unwilling or incapable of rationally thinking about their eventual deaths. In such an instance, the primary focus of any insurance-related brand, really, could be the promise of peace of mind, to name but one example.

A strong brand that commands loyalty from its customers serves as a large barrier of entry for competitors. Not only do competitors have to demonstrate that their product is worth trying out but they also have to convince consumers to switch their loyalty from another brand to theirs. These kinds of efforts tend to be more costly than simply maintaining or reinforcing a brand image and this increased cost is what the barrier of entry actually ends up being.

Having a popular and well-known brand name can also be a big asset when entering new markets. Countries and continents are increasingly interconnected which means that awareness of products spreads far and wide in advance of the actual product through avenues such as word of mouth in online communities or popular culture.

Ultimately, though, businesses exist to make money and business brands serve that purpose by raising sales through increased awareness, customer loyalty and effective communication of benefits, to name just a few examples.

2.3 Brand relevance

Brand relevance varies between industries as well as depending on whether the sales are Business-to-Business (B2B) or Business-to-Customer (B2C). Speaking purely from a monetary investment point of view, the higher the investment is, the higher and more nuanced the scrutiny of the product is, which means the added value of the brand has to scale with the amount invested. In some instances, branding a product may not make much sense in which case organizational branding takes precedence.

When it comes to B2B branding, it has been somewhat neglected in comparison to B2C, which means that B2B companies are now playing catch-up. Branding is, after all, a powerful tool which allows you to set yourself apart from competitors in a business environment where product attributes and functionality may not be the biggest advantages. Interestingly, while information efficiency is similarly important in B2B and B2C branding, the value of risk reduction and image benefit from using the product are reversed; B2B customers value the risk reduction provided above all else, while B2C customers hold the image benefit in the highest regard. (Kotler 2006, 34, 46.)

Globalization: Over the past few decades, globalization has drastically altered the world economy by increasing competition which, in return, has been a major force in reducing manufacturing costs and thus ultimately delivering cheaper products to the end user as well as higher profit margins for the manufacturers. This has been most noticeable with actual physical products, though service industries have also been

affected. Perhaps the single most important driver of globalization is the dramatically increased efficiency of transportation networks, especially the advancements in shipping made possible by cargo containers and ever-larger ship designs. Increased efficiency leads to decreased cost of transportation which ultimately leads to more competition worldwide. Another force driving globalization is the ongoing adoption of global technical standards which, in conjunction with decreasing barriers of trade such as disappearance or lowering of tariffs and free trade associations which make it easier for smaller companies to participate in global trade. One key aspect in lowering production costs, made possible by the aforementioned efficiency of transportation networks, is the possibility for companies to move their production to countries such as China, where labor is plentiful as well as cheap. (Kotler 2006, 35-37.)

Hyper-competition: Globalization is one of the forces leading to a more competitive marketplace, as it allows global supply chains to be used in order to cut costs. A hypercompetitive environment forces companies to act more aggressively and rapidly against their competitors. This leads to shorter product cycles, often with only incremental product evolution with each iteration. This, coupled with access to more competing products, makes it much harder to differentiate between products based strictly on their attributes or functionality. Throwing the internet into the mix, which makes comparing different products easier than ever, branding becomes ever more relevant. Brands feel "safer" and have the added benefit of communicating some key aspects of the company and the product itself. Additionally, branding links some intangible benefits to the product, which are much harder to imitate compared to technical specifications. To be more concise, large amount of competition and options coupled with limited time to evaluate said options make branding very relevant indeed. A successful and strong brand is, in essence, a direct counter to increased competition. (Kotler 2006, 37-40.)

Proliferation of Similar Products & Services: Interchangeable offerings drive companies' need to differentiate themselves and their products from the competition. Exceeding the competitors' technical specifications or leading the way with a new innovation are advantages to be sure, but unfortunately something that can be easily copied. Without a strong brand a company would be forced to keep their prices in

line with the competition, thus driving down their profit margins. (Kotler 2006, 40-41.)

Increasing Complexity: Instead of selling single products or services, companies are shifting towards offering "solutions" to the customer, which complicates the customers' evaluation process even further. Simplifying this deluge of information can, in part, be achieved through branding. (Kotler 2006, 41-42.)

High Price Pressure: When competition is driving prices down across the board, branding can be used to counteract this pressure by providing additional value in the form of intangible benefits to the customer, thus maintaining or even elevating the price level. Brands are helpful for the customer as well, as they can be used to differentiate competing options more clearly by, in part, reducing the complexity associated with an evaluation process. This is possible because brands are effective at communicating the benefits of the product directly to the customer. It bears to keep in mind that branding is just one marketing method among many, though by concentrating other marketing efforts around the brand, both can become more than the sum of their parts. (Kotler 2006, 43-44.)

2.4 How do brands create financial value?

It is difficult to accurately measure the value of a brand. Indeed, the margin of error is typically up to 30% in one direction or the other (Aaker 2000, 16). This is due to the fact that there are many things that create value for a brand, all of which are not easy to measure or estimate. One of the more obvious ones is the premium pricing a brand commands. Take clothing for instance. Armani suits are highly regarded but is the better quality compared to generic suit brands alone truly worth the premium pricing? Wearing an expensive suit is a status symbol that people use to differentiate themselves from their peers. This offer of added value or benefits, tangible or intangible, is the thing that makes premium pricing possible. Another benefit of premium pricing is that you're no longer trying to entice customers based primarily on the price of your product. This is a large advantage since being a low-price brand is a position that can be difficult to maintain and causes the problem of customers becom-

ing loyal to the price, not the brand (Trout 2000, 24-25). Having a brand position that includes premium pricing lets you get away with fewer promotions or sales and in general reduces the pressure to keep prices in line with competitors.

Another important part of estimating a brand's value is its future financial prospects. This can be tough to predict but one relatively simple indicator is brand loyalty. Loyalty equals a steady, predictable revenue stream which can then be used, in part, to estimate the value of a brand (Miletsky & Smith 2009, 85).

The mere possibility of brand extensions can increase the value of a brand. A brand extension is the usage of a brand name that has already been established in one product class in order to gain a leg-up when entering another product class (Aaker 1991, 208). However, this can have some unpleasant consequences. For instance, using the same brand name across many product classes can dilute the power of the brand by confusing the customers. This is especially true when moving to a drastically different product class. The transfer of brand perceptions greatly depends on whether or not the brand associations remain relevant when moving to a brand extension (de Chernatony et al. 2008, 616). If the brand associations from the original product class are no longer relevant or there are already too many extensions, it makes little sense to muddle the overall brand image with the new extension. In a case such as this, it would be more sensible to have sub-brands under one overarching umbrella brand. This makes it possible to still communicate key associations from the parent brand, such as quality, to the consumer without confusing them with too many different products bearing the same brand name.

In the 1980's businesses began boosting their balance sheets with intangible assets, among which were brands (Jones & Morgan 1994, 76). This practice is called brand capitalization, simply meaning that a brand is counted as an asset in the company's balance sheet. These days, depending on variables like the product or industry, a percentage of the net worth of a company attributable to the brand might be up to 75% or even higher (Salinas 2011, 23). This doesn't hold true in every instance of course, but for brands like various soft drinks, brand capitalization is likely to be very high.

2.5 Brand Equity

Definitions of brand equity vary based whose theory you subscribe to and what its purpose is in a given context. However, according to Keller (2008, 37), broadly described "brand equity consists of the marketing effects uniquely attributable to a brand". The following model is based on Aaker's work, which further defines a set of assets, split into four categories, which together form the basis of brand equity (Aaker 1996, 7-8). Each asset can also become a liability if they end up negatively affecting the brand as a whole.

Brand Awareness

Brand awareness refers to how prominent a particular brand is in a customer's mind. Some brands may be a mere blip in the periphery while others, like Coca-Cola or Pepsi, may dominate an entire product category. Simply being aware of a brand and recognizing it, even in the absence of any positive or negative connotations, conjures positive feelings in many customers, as people tend to prefer familiar things to unknown alternatives (Aaker 1996, 10-11).

Brand Loyalty

When it comes to estimating brand value, having a loyal customer base is key since loyalty is the brand asset that can be used to predict future revenue most accurately. A highly recognizable brand name is still weak if it does not command loyalty from customers. (Aaker 1996, 21-23). Increasing customer loyalty is often easier than enticing new customers, not to mention being very profitable, which is why customer loyalty programs such as chain-specific bonus cards at supermarkets are so popular. It is also the reason why Coca-Cola advertises a lot and sponsors so many events, even though just about everybody who's ever drank a can of soda is familiar with Coke. The benefits of keeping people loyal to a big brand far outweigh the costs associated with those efforts.

Perceived Quality

Perceived quality is often a cornerstone of a branding process, as it has the biggest impact on return on investment (ROI). Perceived quality can be influenced by many means and it doesn't necessarily always match the actual quality of the product, though it is difficult to enhance perceived quality if the product has no merit to back up the claims. Additionally, perceived quality of a product has a tendency to affect the other brand association elements. As the perception of quality changes, that drives the perception of other brand associations in the same direction, be it negative or positive. (Aaker 1996, 17-20)

Brand Associations

Brand associations are unique, abstract associations that come to the customers' minds when are exposed to a product or simply think of it. These associations are developed via multiple avenues, such as exposure to advertising, direct experience with the product, word of mouth or simply assumptions based on the brand itself. All things being equal (product class, purpose, price etc.), brand associations are usually the thing that ends up influencing customers' decision when presented with two or more similar products. It is difficult to create strong and long-lasting favorable brand associations through traditional advertising, as consumers are more resistant to that type of marketing. Marketers try to get around this by using non-traditional marketing campaigns, such as guerilla marketing. (Keller 2008, 56-59)

2.6 Brand Identity

Aaker (1996, 68) describes brand identity by equating it to that of a person's identity: it is what gives that person (or brand) direction, purpose and meaning. In practice, brand identity is what drives the brand image and associations. Of course, that doesn't necessarily mean that the two have to match each other. A company may have a well-thought out brand identity that they wish to communicate but due to whatever reason, miscommunication or failure to fulfill promises for instance, the brand image and associations may differ from what the company intended.

Aaker's brand identity model divides the brand identity into four different perspectives: brand as product, brand as organization, brand as person and brand as symbol. These perspectives are further divided into a total of twelve brand elements such as product attributes or the brand's visual imagery to name just two. These brand elements are the concepts which are communicated to the consumer and around which the brand identity is formed. (Aaker 1996, 78-79)

Brand as Product

Product Scope: A brand is most powerful when contained within a product class. Focusing a brand's presence on one product category has the consumer recalling the brand when thinking of a product class, instead of the other way around. If the company wants to diversify its products, it's more sensible to have sub-brands for different product lines as a brand's identity becomes confusing when spanning multiple product categories (Aaker 1996, 78-80). Just think how you would feel about a Ferrari branded chocolate bar.

Product Attributes: While important, some brands tend to focus on product attributes at the expense of everything else, thus not living up to the full potential of the brand. However, it is important to have at least one product attribute that offers a functional or emotional benefit that competitors cannot match, or, simply do something better than anyone else (Aaker 1996, 80-81). The problem with having a focus on product attributes in a branding strategy is that they can be easily replicated by competitors, which in turn means that in order to build a strong, stable brand, a company would do well to infuse its brand with something intangible.

Quality/Value: Quality is a product attribute so significant it merits its own mention in the brand identity model. Value allows for more intricate market positioning by adding price into the mix. (Aaker 1996, 81.) After all, products are essentially worth what consumers are willing to pay which means that higher profit margins may be reached by branding reasonably high quality product as Premium, even if it differs only slightly in manufacturing costs from other models (own or competitors') in the same product class. Conversely, it may be beneficial in some markets to position your product as high-quality yet reasonably priced.

Uses: A product may become primarily associated with a specific use, even if it is used for a variety of things (Aaker 1996, 81). Champagne for instance is often associated with celebration such as weddings or anniversaries or victories at sporting events. It would be nearly inconceivable to attempt a toast at a party with, say, root beer.

Users: Yet another branding tactic is to align the brand with a specific type of user. Unless the user category is broad, though, the brand may end up becoming a niche product. Of course that may be the desired effect, but niche products can be less stable. (Aaker 1996, 81-82.)

Country of Origin: A product's country of origin can be a competitive advantage and, as such, can be used to differentiate a brand from competitors (Aaker 1996, 82). In the context of this thesis, Finland is known for quality craftsmanship, reliability and honesty which are all positive qualities, no matter which industry is in question. However, associations can vary across product classes. For instance, Nokia phones were until recently held in high regard, while you'd be hard-pressed to run a successful Finnish restaurant in the United States for example.

Brand as Organization

Organization Attributes: Instead of focusing on product attributes, a brand may focus on organizational attributes instead or, more likely, some combination of the two (Aaker 1996, 82-83). For instance, the iPhone was considered innovative when it launched, as was its creator, Apple. However, organizational attributes tend to be more intangible.

Local vs. Global: To illustrate the idea with an example: a vegetable producer would want their products to be branded local, while a car manufacturer would want their brand to be global.

Brand as Person

Personality: A brand can possess personality characteristics in the same way as an actual person. A brand might be considered as playful, honest, casual or formal, to give but a few examples. These personality traits can be used by the customer to express themselves or they can be used to communicate product attributes to the consumer, thus giving it a functional benefit as well as an emotional one. (Aaker 1996, 83-84.)

Brand-Customer Relationships: A brand may also strive to develop a relationship with the customer. For example, a brand may be perceived as a helpful friend or fun companion. (Aaker 1996, 83-84.)

Brand as Symbol

Visual Imagery and Metaphors: While just about anything that represents a brand can be considered a symbol (such as charity programs or customer-oriented approach to business), it is the visual imagery and logos especially, that really embed themselves in the customer's mind. A striking logo can aid recall or even evoke connections to the brand's identity, when the brand and its symbol are closely linked in customers' minds. (Aaker 1996, 84-85.) In an effort to make an impression, brands have resorted to different tactics, some go for simplicity (Nike, McDonalds), some try to be clever (the "FedEx arrow" created by negative space in the logo) while others strive to communicate a brand characteristic with their logo (the rock in Prudential's logo symbolizes strength).

Brand Heritage: In some cases where the brand has a long or rich legacy, it is possible to use that heritage to communicate the brand's essence to the customer. Heritage can be easily linked to prestige in the customer's mind. (Aaker 1996, 85.)

Core Brand Identity

Core brand identity consists just a few central identity elements, together forming the very essence of the brand. While less central parts of the brand may change over

time, the core identity generally remains the same throughout the years. The organization's principal values will often act as the mold which the core identity will fill. The core identity should not be something that is shared by competitors; instead, it ought to consist of elements that are unique to that brand. Capturing a brand's core identity in a slogan can be impractical, since marketing approaches change and the brand position may not even stay the same. (Aaker 1996, 85-87.)

Extended Identity

The core brand identity alone can be a bit too vague and may not be able to function as the brand identity by itself, which is why the extended identity is used to fill in the gaps, so to speak. The extended identity is more malleable and can even differ between markets, whereas the core identity would almost always be the same no matter what market is in question (Aaker 1996, 87-89). While many elements in the extended identity are important for the brand as a whole, they are generally not critical enough to build the rest of the brand around. The extended identity of a brand is used to flesh out the little details, creating a more complete picture in a customer's mind; an apt analogy would be the brand as a life-long friend instead of a casual acquaintance.

Identity Groupings

When analyzing the brand identity as a whole, it can be useful to visualize the connections between brand elements and groupings by drawing a map where smaller elements are clustered around more important elements, with lines denoting connections between the different brand elements. The goal of this exercise is to really understand how the groupings of identity elements affect the brand as a whole. Essentially, it is important to understand that a brand is more than simply the sum of its parts. (Aaker 1996, 92-95.)

2.7 Brand positioning

Clifton & Simmons (2003, 81) mention that while there are many ways to go about brand positioning, there are six basic steps (described in figure 1) you need to take in order for your brand to be successful.

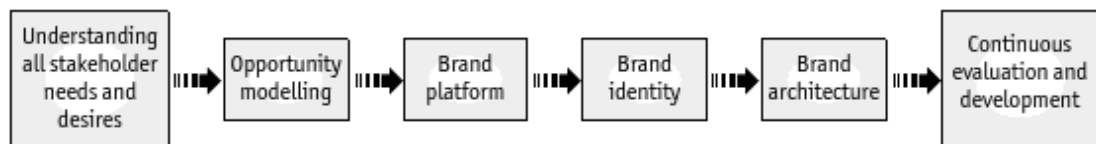


FIGURE 1

Brand positioning starts from the very basic idea of identifying a company's stakeholders and determining how important each group is in relation to the brand (Clifton & Simmons 2003, 81). Depending on the product or service, the priority may lay on individual consumers, other businesses or perhaps investors. Not only does the company wish to communicate different things to different stakeholders, but the same holds true in the other direction; customers tend to care about individual product brands while other organizations might be more interested in the corporate brand.

Clifton & Simmons (2003, 83-84) describe the next step, opportunity modeling, as being ideal when (brand) *relevance*, *differentiation* (from competitors), *credibility* (ability to deliver on promises) and *stretch* (potential brand extensions) converge. When these four factors are aligned, opportunity for branding has ideal conditions.

The brand platform, which is the foundation of brand identity, ought to be considered carefully with long-term goals in mind. This platform is based upon the company's vision, mission and values. The brand platform is what gives the brand purpose, specific objectives to be accomplished and values to uphold (Clifton & Simmons 2003, 86). Not only does the platform shape the brand identity, it is also a way to communicate the essence of the brand internally at the organization.

The fourth step, the formation of the brand identity, is perhaps the most critical part of the positioning process. Even though the brand platform will guide the formation of the identity, it still requires a lot of planning and research, as a poorly implemented brand identity may end up being ineffective or even doing harm. Rebranding is of course always a possibility, but often the taint of a previous failure can linger for a long time with the rebranded product.

Brand architecture is a systematic way of handling different brands (corporate, product, extensions etc.) that, if implemented correctly, clarifies the relationships between the different levels of brands (Clifton & Simmons 2003, 91). Brand architecture systems can be divided into two main categories. The first can be split into further subcategories but the idea remains more or less the same: the company gives credibility to each brand, be it product families stemming from the "parent" or some other architecture configuration. In the other category each brand stands alone, with little to no connection to a parent brand.

Finally, it bears to keep in mind that even well thought-out brand positioning may change during a brand's lifetime. Even if there are no large shifts in positioning, brands still require long-term management, fine tuning and development in response to maneuvering by competitors or changing markets. (Clifton & Simmons 2003, 95.)

3 CASE: ROLLSTEEL MACHINE OY

Rollsteel Machine Oy has one factory located in Kuopio where it manufactures industrial equipment called rollforming machines, which are used to bend sheet metal into a desired shape in a continuous process. The finished products can have a multitude of uses, such as a cover for the facade or roof of a building. The company was founded in 2010, consisting largely of staff from a now-defunct business in the same industry. (Niskanen, Timo 2013.)

The company employs just over 30 people and last year had a turnover of just above 2 million Euros. Single orders can take anywhere between two and six months to complete, depending on the size and complexity of the machine, while prices range from around 50,000 to 500,000. Although domestically Rollsteel only has 4 competitors, orders are often made internationally, which raises the number of competitors significantly. In fact, the most important market area for Rollsteel itself is Russia, which is where more than half of their past and current customers are located. (Niskanen, Timo 2013.)

3.1 Research methods for the brand identity study

The first objective of this thesis was to determine what the current state of Rollsteel's brand identity is, as the topic has barely even been broached within the company itself. The approach selected for this task was a half-structured interview, in which questions are asked in a pre-determined order with open, unguided answers from the interviewees (Kananen 2008a, 73). The primary reasons for this were 1) the client's unfamiliarity with the topic of branding in general and 2) as a way to get different perspectives on the core questions. The questions were selected with the ultimate goal of charting the current state of the company's brand identity as well as the direction they wish develop it. The three interviewees were Timo Niskanen (director of sales and marketing), Matti Helin (director of finance) and Tuomo Niskanen (CEO, primary shareholder). The first two interviews were conducted face to face with Timo Niskanen and Matti Helin on 16 April but due to unfore-

seen circumstances, the third interview with Tuomo Niskanen had to be postponed until the 18th, and was conducted via telephone. These three people were selected for the interviews due to their knowledge of the current state of the company's affairs as well as their positions of influence within the company.

According to some schools of thought, validity cannot be applied to a qualitative study, as interpretations of the results may vary between researchers (Kananen 2008a, 124). Reliability, however, is easier to measure. The key indicators of reliability in this study were the sufficiency of the material and comprehensiveness of the analysis of said material (Kananen 2008a, 124-125). Sufficiency of the material was achieved by interviewing three different key managers within the company and the comprehensiveness of the analysis was achieved through the transcription of each interview in its entirety, thus making it possible to compare different answers to the same questions in detail.

The questions for the interview were formulated based on the theoretical framework established in the second chapter of this thesis. Questions 1-5 were aimed at uncovering the foundation upon which a brand identity could be built. Questions 6-8 seek to clarify how extensively marketing and the concept of branding have been discussed internally at Rollsteel and what the focus currently is. The goal of questions 9 and 10 was to determine in what direction the company wishes to develop their brand identity. Question 11 was aimed at discovering how Rollsteel believes customers currently perceive their company. The purpose of question 12 was to determine how the interviewees themselves view the company. Question 13 aimed to find out if the brand identity concepts discussed previously extended beyond the sales and marketing department to other levels of the company. Meanwhile, question 14 sought to determine the importance of brand loyalty to Rollsteel, as that is one of the primary functions of a brand. Finally, question 15 was aimed at finding out what Rollsteel bases the pricing of its products on and how they would like to price their products in the future, as this would factor into the brand identity (e.g. premium vs. generic product).

3.2 Brand identity interviews

Q1: Have the company's values, vision and core competencies been defined? Describe them with your own words.

Values, vision or core competencies have not been defined internally. Not only have these things not been defined or written down, they have not even been discussed among the leadership of the company. Instead, each interviewee had their own take of the matter, apart from company values, which nobody could exactly pinpoint as to what they might be.

Q2: How does the company currently strive to differentiate itself from competitors?

When it comes to technical aspects, the company's products differ only slightly from the competition and confer no real advantage or disadvantage in the market. Instead, Rollsteel strives to promote their build quality, a good relationship with the customer and quick responses to changes.

Q3: What benefits or added value does the company provide for its customers?

It is difficult to provide tangible benefits when it comes to technical specifications. Instead, Rollsteel has includes little complimentary bonuses in their deliveries such as spare parts and tool sets.

On the customer service side, the company provides—free of charge—guidance, advice and demonstrations on how to operate the equipment. The advice isn't necessarily limited to the operation of the equipment, but can include things like ideas for the end product the machine is used for manufacturing.

Q4: What do you consider the brand's strengths and weaknesses to be?

Key strengths were identified as being the experience of the individuals within the company, flexibility and a customer-centric approach as well as reasonable pricing compared to the build quality and technical specifications. On the other hand, weak-

nesses were considered to be the small size of the company, inefficiencies within the organization and a weaker than desired sales force.

Q5: Describe the brand's core identity.

While the concept of brand identity hasn't been thought of internally just yet, some core ideas did emerge in the interview. Each interviewee mentioned reliability, Finnish expertise and quality, quick delivery as well as the concept of partnership with the customer. Instead of being simply a supplier, it would be preferable to build a longer-lasting partnership with the customer.

Q6: Has the concept of brand identity been discussed internally so far?

So far it has only been broached in a very general fashion. Besides the name—referring to the company as Rollsteel instead of by its full name, Rollsteel Machine—there have been very few actual ideas and fewer implementations of said ideas.

Q7: In what way are the company's values displayed through marketing materials or sales conversations?

Since the company's values have not been defined, they have not really been highlighted in marketing communications either.

Q8: What brand elements are focused on in marketing communication?

The focus is on the products' technical specs and quality. The goal is to try to differentiate from the cut-rate manufacturers, since customers are increasingly keen to know why Rollsteel's products are more expensive, despite similar technical specifications.

Q9: Where do you see the company being in 3-5 years?

The answers to this question were very similar. The consensus was that the company wishes to move from manufacturing basic machines to fulfilling more complex orders with higher profit margins. The goal is to make fewer deliveries per year while keep-

ing the company's turnover about the same or a little higher than what is today, thus increasing efficiency and reducing the number of employees.

While Russia as a market area remains important, the company also wishes to become more prominent in Western Europe, where they are not well represented at the moment.

A longer-term goal is to form some kind of partnership with another company to further increase efficiency and versatility of Rollsteel. However, this is only an idea at this point, with no concrete plans being made now or even in the near future. Another, more immediate concern is relocating the company to new facilities, as the current ones are not only too small, but not well enough equipped.

Q10: What associations would you like to attach to the brand, that customers currently may not have at the moment?

There is a clear desire to have customers associate Rollsteel with technical proficiency and expertise, as that is not quite the case right now. Another association the company wishes to make a reality is the customer centric approach to business that is applied throughout the organization, from the grassroots level all the way up to the top. However, this has yet to be communicated to either the customers or the employees.

Q11: What brand associations do you believe the customers (as well as potential customers) currently have of the company?

On a personal level customers have a good view of the company, since in many cases they have professional relationships with Rollsteel employees predating the foundation of the company. This translates to an image of trustworthiness and experience.

When it comes to Rollsteel's basic products, where there is a lot of cheap competition, they are classified as good but expensive. On the other hand, the company is not necessarily even associated or trusted with more complex products which is problematic, as that is the direction Rollsteel wishes to develop their business.

Q12: Describe the brand's personality with a few adjectives or, if easier, compare it to a car brand or an animal.

Car comparisons have been thought of before within the company and the brand that springs to mind is still Volkswagen. Middle of the pack, as it were. One word (or term) descriptions that were highlighted revolved around reliability, customer centricism and Finnish quality.

Q13: How does the brand identity show in the company's operations on different levels?

Currently it is only really conveyed through the actions of the sales personnel. Internally there are some issues, as the desired mindset is not communicated to employees throughout the company.

Q14: How important is brand loyalty to you?

Brand loyalty is extremely important. It starts at ensuring customer satisfaction and every action thereafter is geared towards the goal of keeping the customer buying equipment for years to come. "One sale is no sale; if the customer keeps buying for 20 years, then that's a sale" (Niskanen, Tuomo 2013.)

Q15: What is the pricing of your products based on? What direction do you wish to take it?

There is a constant pressure to keep raising prices as the cost of everything (labor, raw materials etc.) rises. "We're aiming to increase efficiency so we can sell equipment for higher profit, without compromising quality" (Niskanen, Timo 2013.) The desire is to move on to more complex deliveries with higher profit margins as there is no way to compete with the cut-rate manufacturers in the lower price ranges.

3.3 Research methods of the brand association study

The goal of the customer survey was to discover how the customers perceive Rollsteel as a company compared to how the management wishes it to be portrayed. The survey, which had three language options (Finnish, English and Russian), was e-mailed to 20 existing customers as well as 29 other companies Rollsteel has been in negotiations with during the fall of 2012 and winter of 2013 with the intention of keeping the replies anonymous. The survey was sent on 29 April and the recipients were given until 3 May 2013 to reply, with a reminder being sent on 1 May. Of these 49 recipients only 9 replied to the survey resulting in a response rate of 18 per cent. A primary goal of the survey was to compare and contrast the replies between existing customers and others, which proved problematic, as only 2 of the 9 recipients were not existing customers, which is not a high enough number to be statistically significant.

A quantitative research method was employed in the creation of the survey, as the goal was to receive at least 20-25 replies which could have been used to gauge trends among the responses and make comparisons between answers from different regions as well as based on whether or not the respondent was an existing customer or not. Due to this, the first primary question type consisted of structured questions (multiple choice) where the respondent could choose from a number of different choices which were used for finding out opinions and motives (Lotti 1996, 75). The respondents were also presented with several claims which they were asked to respond to on a scale of one to seven, 1 representing total disagreement and 7 representing total agreement in order to gauge the strength of their opinion (Lotti 1996, 83.)

The client company was advised to raffle off some kind of prize among the respondents as an incentive to raise the percentage of replies but they were unable to provide such a prize before the survey was sent out.

Reliability and validity

Kananen (2000b, 81) describes the external validity of a quantitative study, which is the key measuring stick in this case, as having the sample represent the larger population, thus allowing extrapolation of the answers given by the sample group to accurately chart trends and general opinions of the larger population. Keeping this in mind, the sample group was chosen non-randomly based on two different criteria: 1) existing customers and 2) companies that are currently not customers but with whom Rollsteel had been in negotiations during the 6 months prior to the study. The survey was e-mailed to every company that fit those two descriptions but unfortunately, the low percentage of replies (18%) as well as the high ratio of existing customers to potential customers (7:2) among the respondents slightly lowered the validity of the survey. The questions in the survey also measured what they were supposed to measure, which is to say, the respondents' image of the company compared to internal views and expectations. Ideally, the survey would also have had more open-ended questions intended to reveal a more comprehensive image of the company from the recipients' point of view. However, these were not included as the survey was already somewhat time-consuming.

The reliability of a study is good when the results are not caused by randomness and if the study were to be repeated, the results would, under the same circumstances, be the same. The questions ought to be unambiguous and easy to understand (Lahtinen, Isoviita 1998, 26.) The questions in the survey were simple and easy to understand as they generally consisted of a single sentence and were likewise easy to respond to, as the format of the answers was primarily multiple choice or on a scale of one to seven.

The customer survey was created in three different languages: Finnish, English and Russian. The English survey was meant for all other international recipients apart from Russians, who make up such a large segment of Rollsteel's customers that the survey was also translated into Russian specifically for them while the Finnish survey was sent to domestic companies.

The first two questions established the background of the respondents.

1. In what country or region does your company primarily do business?

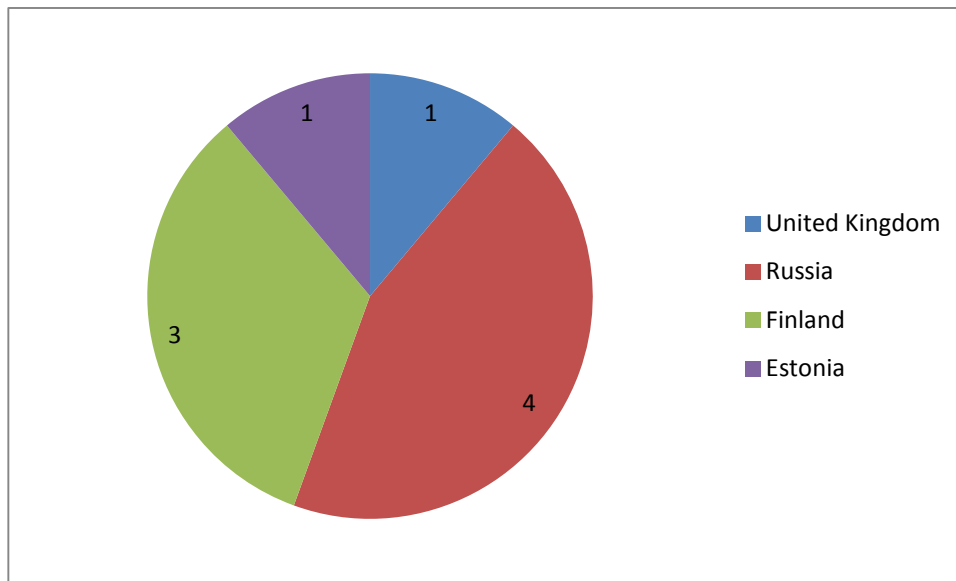


FIGURE 2

The purpose of this question was to compare answers from different regions, especially Russia vs. every other region, to each other in order to find out if there were large differences. However, due to the small sample size, as seen in figure 2, these results would not be statistically significant.

2. Have you ever purchased a Rollsteel product?

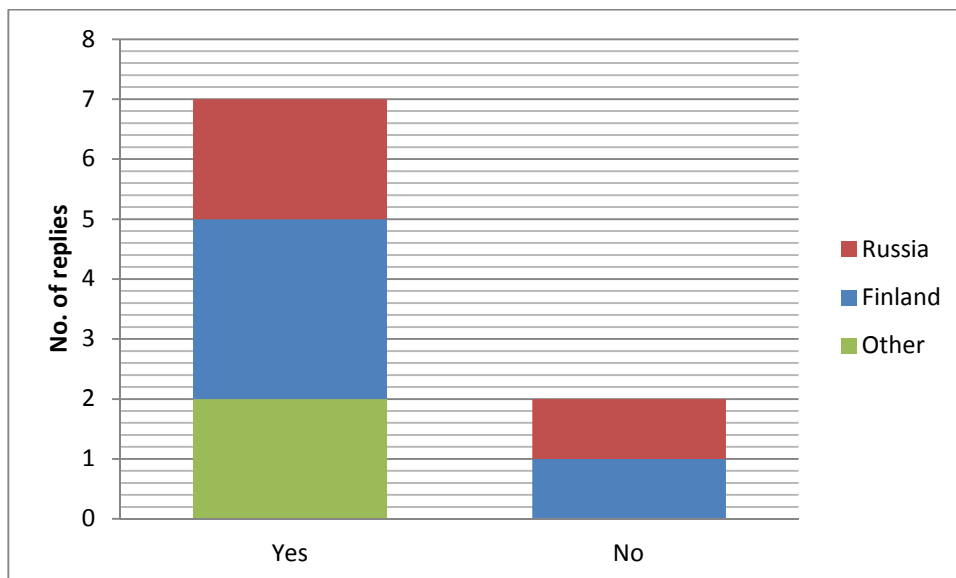


FIGURE 3

Another way to compare answers from two opposing groups would have been to sort the answers to two categories: existing customers vs. everyone else. However, since only 2 potential customers replied, as shown in figure 3, doing so would have yielded no reliable results.

Questions 3-5 charted customer satisfaction and the perception of the relationship between Rollsteel and the customer.

3. Are you happy with the machine you purchased? (On a scale of 1-7)

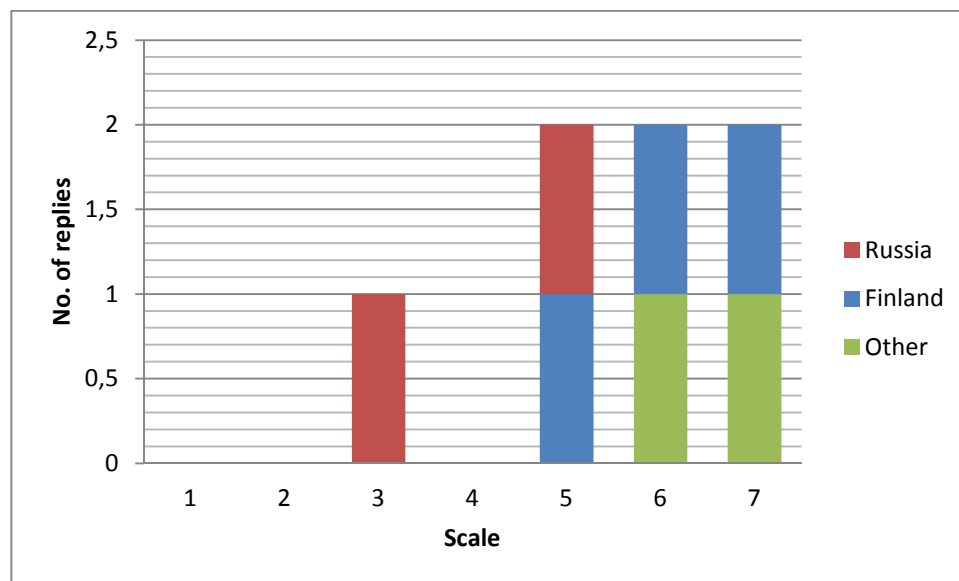


FIGURE 4

Figure 4 clearly indicates that a large majority of respondents were between moderately happy and very happy with the machines they ordered, with one outlier being slightly unhappy. Based on the consistency of these replies, it ought to be safe to extrapolate this result to indicate that the majority of Rollsteel's customers have been at least somewhat happy with their purchases, which would match the company's internal assessment of the situation.

4. *Would you purchase another machine from Rollsteel, should the need arise?*

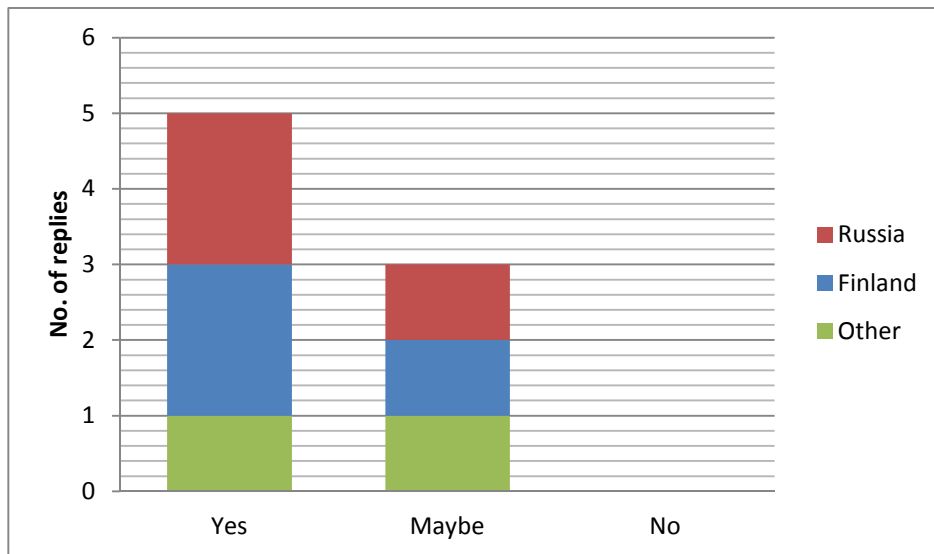


FIGURE 5

Figure 5 shows that all respondents indicate that they would be willing to repurchase, or at least consider repurchasing, should the need for another investment of that type arise. Since purchasing a rollforming machine will run you a bill in the tens of thousands at the minimum, it is positive that the majority of respondents would definitely return to Rollsteel, with the rest being at least willing to consider doing so.

5. *Do you consider Rollsteel to be more of a supplier or a partner to you? (On a scale of 1-7, 1 being strictly a supplier and 7 being a comprehensive partnership)*

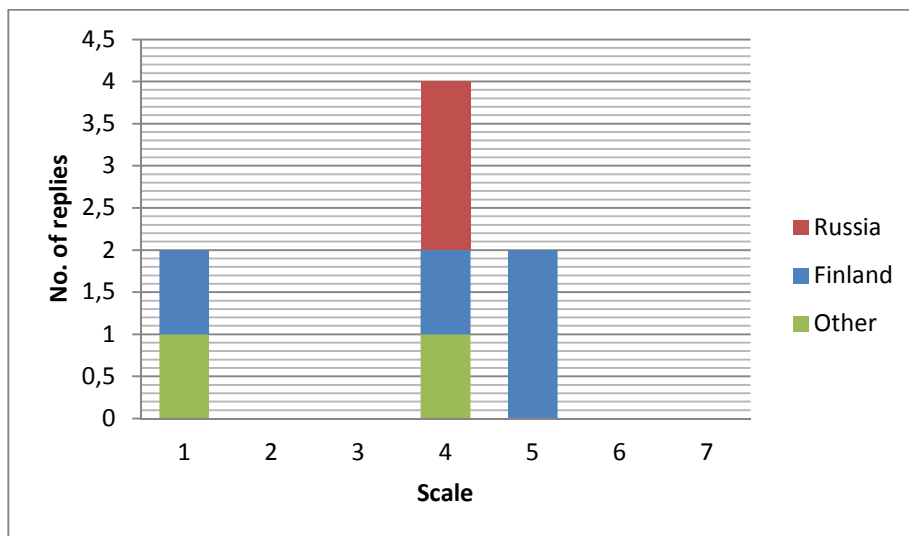


FIGURE 6

Rollsteel wishes to promote the idea of partnership with their customers, as opposed to a supplier-customer relationship. However, the results shown in Figure 6 indicate that the respondents, in a question meant for existing customers, are mostly ambivalent about their relationship with the company, with some slightly leaning towards partnership status and two outliers considering Rollsteel strictly as a supplier.

The purpose of question 6 was to ascertain as to why potential customers chose another supplier instead of Rollsteel.

*6. If you chose another supplier instead of Rollsteel, what were the primary reasons?
You may choose more than one.*

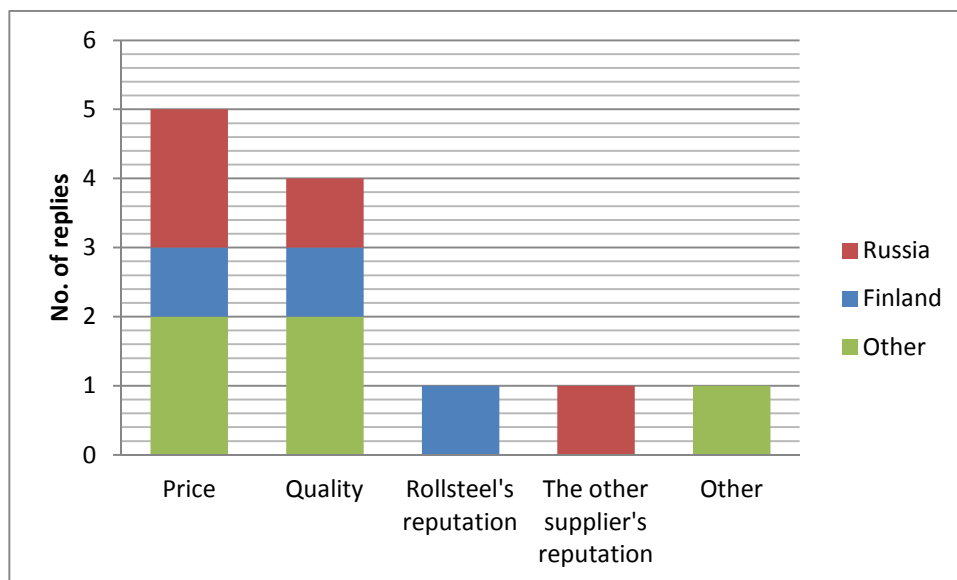


FIGURE 7

Figure 7 displays the things the respondents felt were most important when choosing another company over Rollsteel. However, the fact that there were five different replies to a question meant for potential customers, of which there were only 2, indicates that not every respondent fully understood the question or did not read the instructions. However, it is safe to conclude based on these replies that price and quality are generally among the most important considerations in a potential or even existing customer's mind.

Questions 8-14 focused on measuring the importance the customers place on the things Rollsteel tries to use to differentiate itself from competitors.

8. How important is the machine's country of origin (Finland) to you? (On a scale of 1-7)

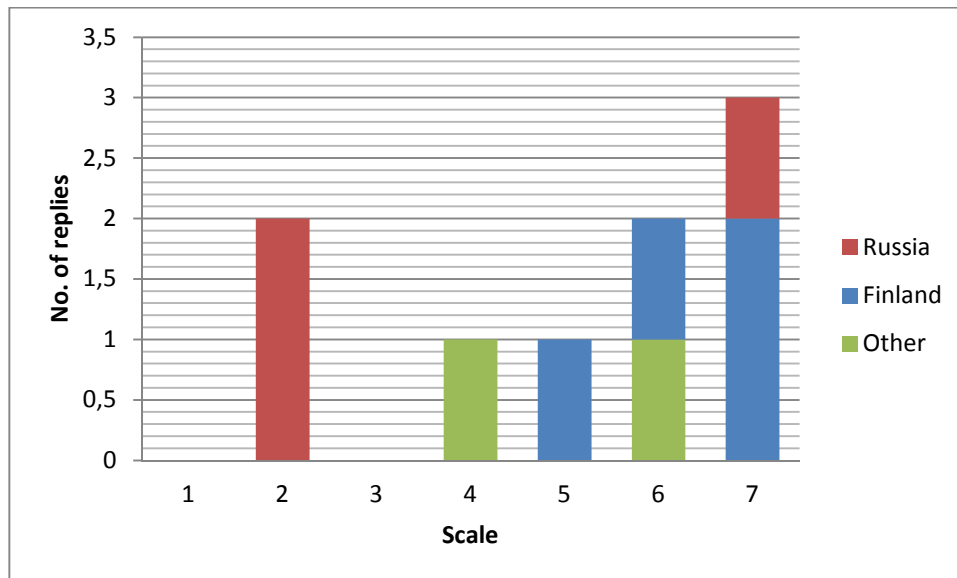


FIGURE 8

As seen in figure 8, Finnish companies, perhaps predictably, value Finland as the country of origin quite highly. Among the other replies, the data is insufficient to draw firm conclusions, though one could surmise that Finland as the country of origin is at least a somewhat positive association in international companies' perceptions.

9. How important is flexibility (during negotiations, manufacturing and delivery) to you? (On a scale of 1-7)

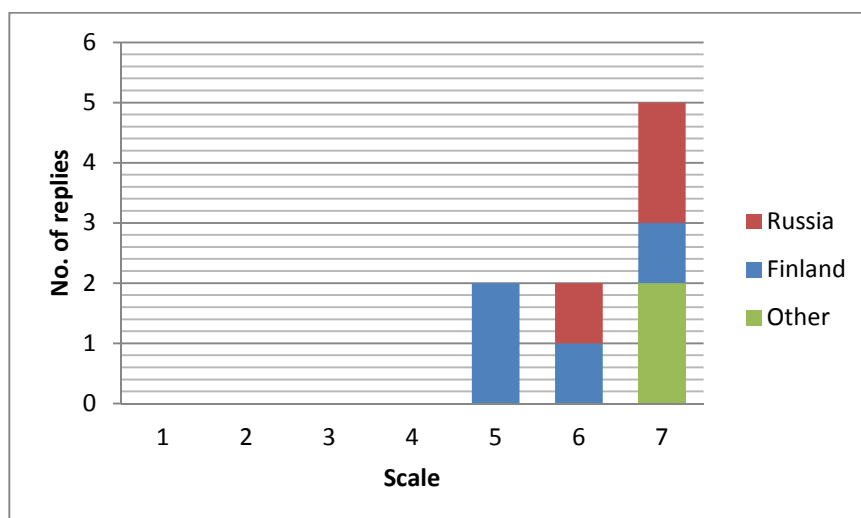


FIGURE 9

Figure 9 clearly shows that flexibility is a factor in the purchasing process that is greatly valued among all respondents. This is no great surprise, however, seeing as how rollforming machines are complicated pieces of equipment that require designing and a lot of time to manufacture as well as being a large investment on the purchaser's side. However, this response would indicate that Rollsteel's goal of being a very flexible supplier is a worthwhile one.

10. How important is the speed of the delivery to you? (On a scale of 1-7)

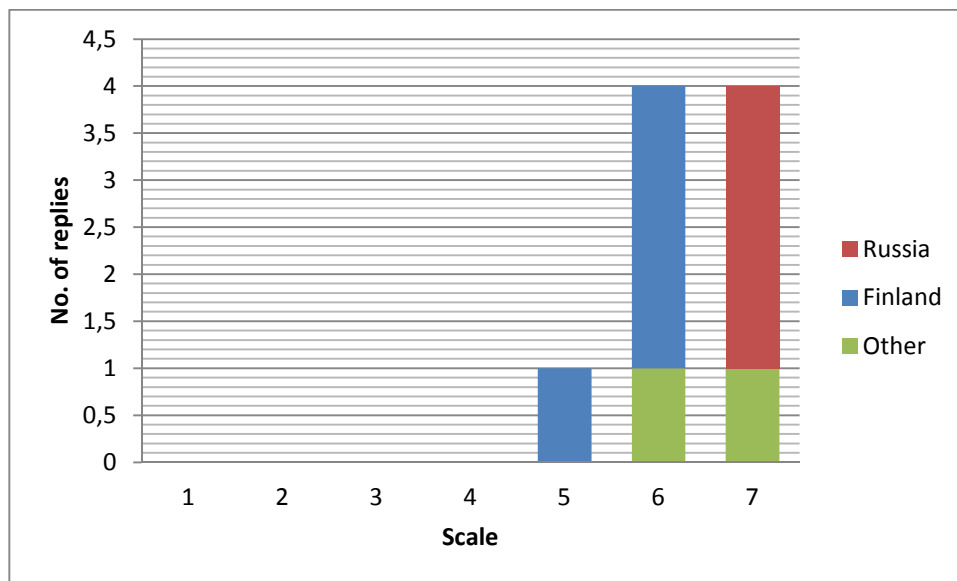


FIGURE 10

Interestingly, figure 10 indicates that the Russian respondents value quick deliveries the most while the Finnish replies indicate a lower, though still high, importance being placed on the speed of a delivery.

11. How important are after sales guidance, support and advice, regarding the machine, to you? (On a scale of 1-7)

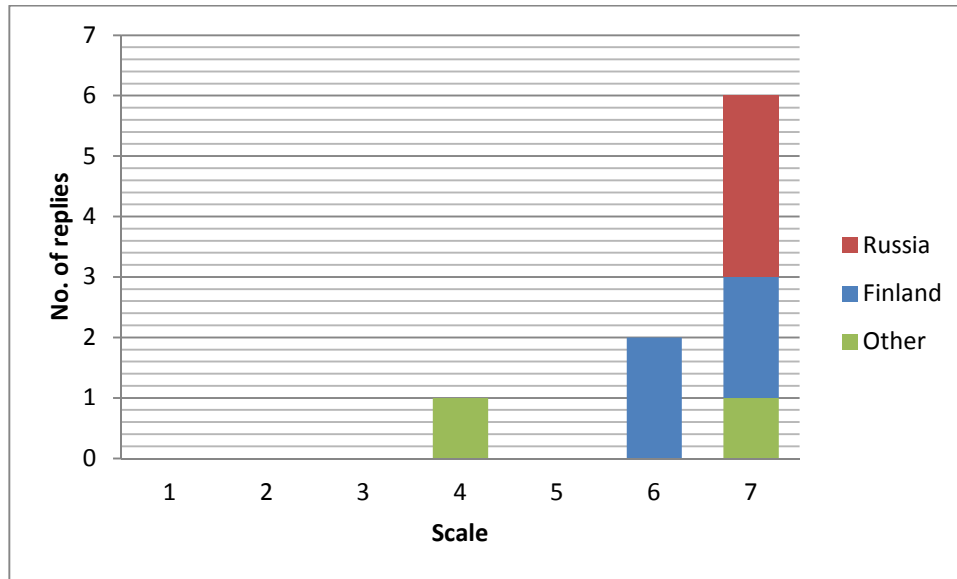


FIGURE 11

Another fairly unanimous answer can be seen in figure 11, where the majority of respondents place a high or very high importance on after sales guidance and advice. In hindsight, this question should have been worded more carefully or split into two questions to separate the importance of advice for the operation of the machine and all other advice regarding the machine. However, the replies are still useful, as they display an overwhelming importance placed on after sales support which is another avenue through which Rollsteel tries to differentiate itself from its competitors.

12. How important is a closer relationship with the supplier to you? (On a scale of 1-7)

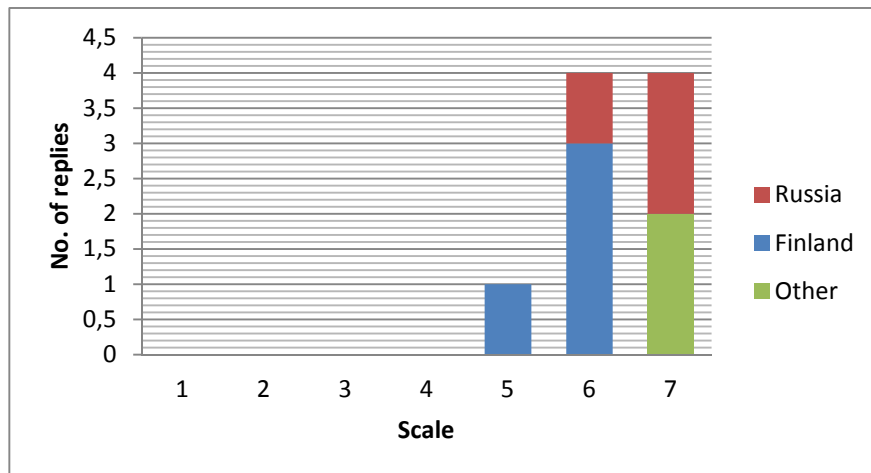


FIGURE 12

Figure 12 displays a clear desire for a closer relationship with the supplier, which is important to note as in a previous question (figure 5) where recipients were asked if they saw Rollsteel more as a supplier or a partner, the response was rather ambivalent. However, wording of that particular question may have been too dissimilar to be able to draw direct parallels to this question. Still, figure 12 clearly indicates that customers have a desire for a closer relationship with their suppliers, which is what Rollsteel wishes to foster in its own business relationships.

13. How important are quick responses to changes during the purchasing and delivery process to you? (On a scale of 1-7)

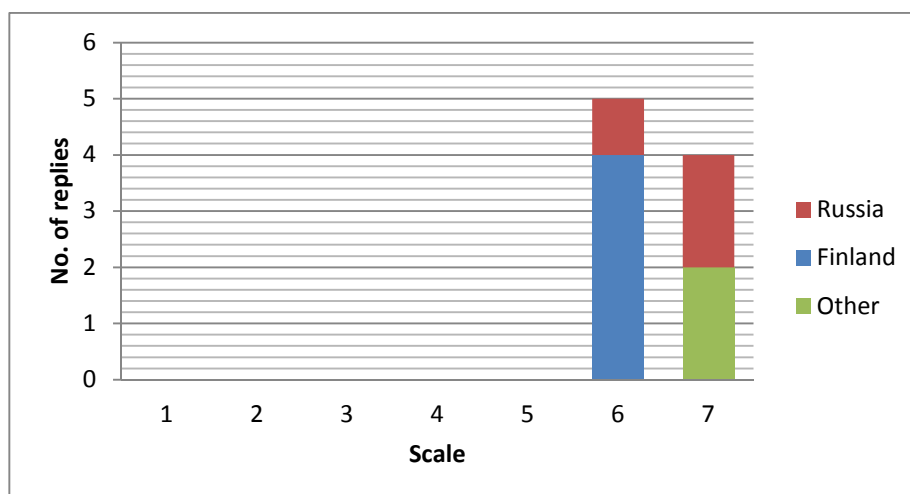


FIGURE 13

Another, near unanimous, response can be seen in figure 13, which shows the great importance the respondents place on the ability to quickly react to changes during the purchasing and delivery process. This serves to strengthen Rollsteel's competitive advantages as well, seeing as how one of their strengths is their small size which allows them to react to changes quickly (Niskanen, Tuomo 2013).

14. What are the most important factors for you in a purchasing decision?

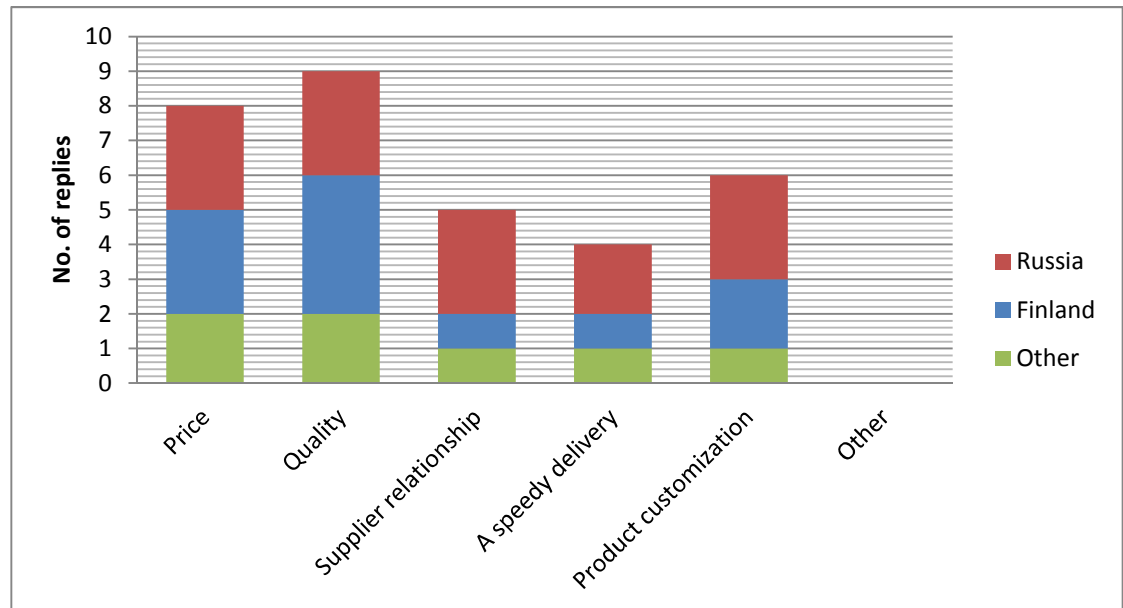


FIGURE 14

While this question allowed multiple answers, figure 14 displays a clear preference for price and especially product quality above all else. The small number of replies and distribution of answers does not allow for statistically significant regional comparison here but it is interesting to note that quick deliveries is the least common reply, even though the very same factor was given very high importance in a previous question. Therefore, it is safe to conclude that price and quality are assigned extreme importance, as supported by figure 14 itself.

Questions 16-19 seek to illuminate the customers' perception of the characteristics Rollsteel as a company wishes to project.

16. In your opinion, how well does the word reliability describe Rollsteel? (On a scale of 1-7)

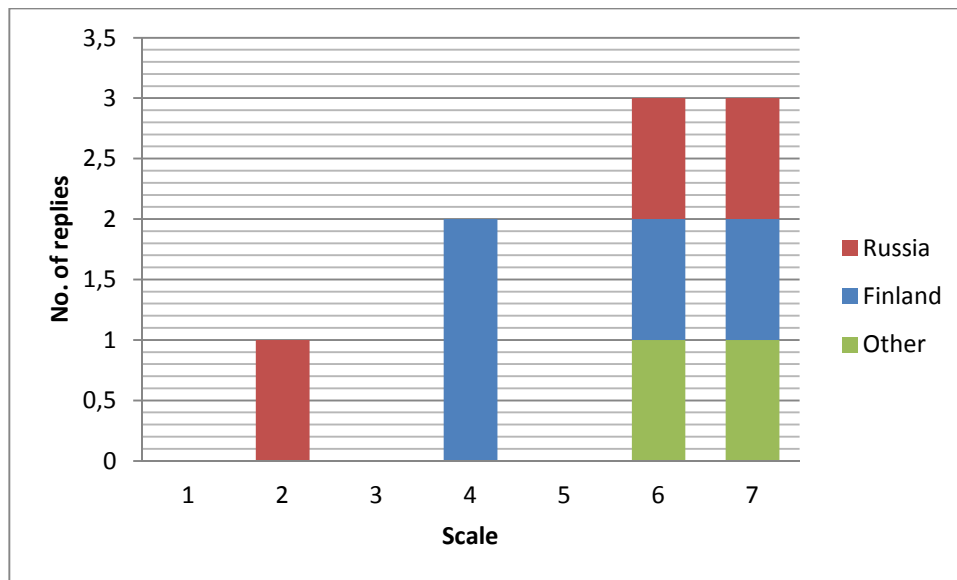


FIGURE 15

Figure 15 displays a mixed response, though the majority of respondents still find that reliability is descriptive of Rollsteel as a company.

17. In your opinion, how well does the word honesty describe Rollsteel? (On a scale of 1-7)

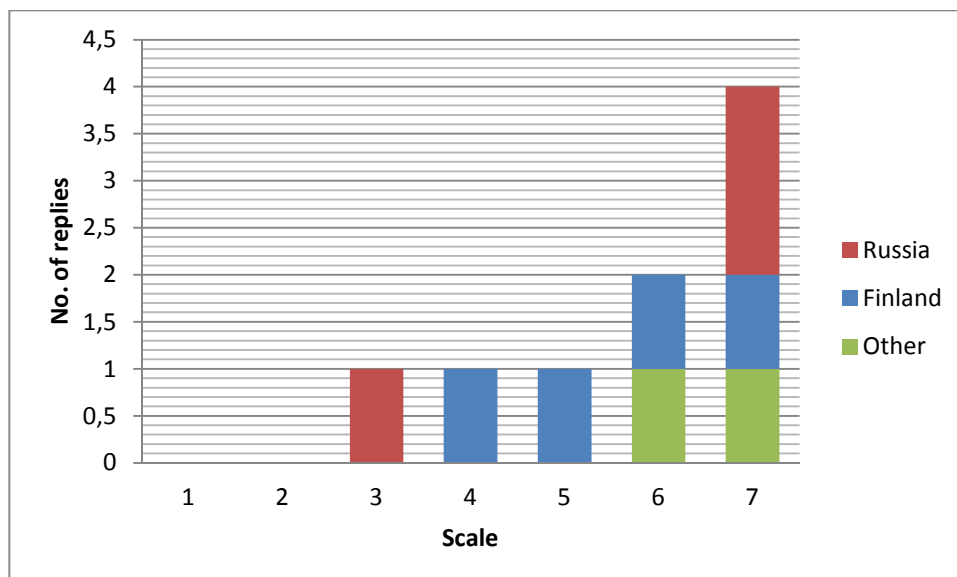


FIGURE 16

As can be observed in figure 16, responses to the question of honesty were quite varied though the trend of the majority of answers being on the positive side of the scale still holds true.

18. In your opinion, how well does the term *technical proficiency* describe Rollsteel?
(On a scale of 1-7)

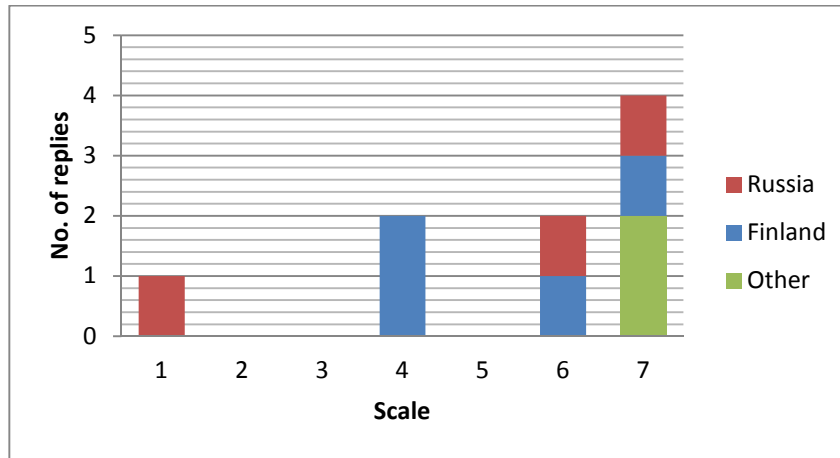


FIGURE 17

Once again, as seen in figure 17, the majority of answers are either very positive or extremely positive, with 2 respondents being ambivalent about the question. There is also one outlier on the extreme negative side of the scale. However, this is a positive result as Rollsteel as a company feel that they are technically capable of handling any challenge presented to them and also wish to project this characteristic outward.

19. In your opinion, how well does the term *customer centrist* describe Rollsteel? (On a scale of 1-7)

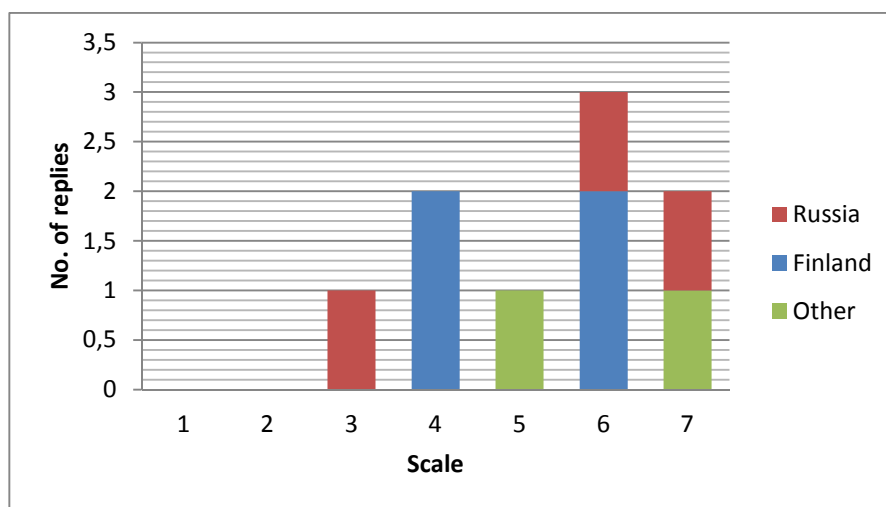


FIGURE 18

Customer centricism, one of Rollsteel's central tenets, scores slightly lower, on average, than the previous three brand characteristics measured in this survey. However, as seen in figure 18, the majority of replies are still on the positive side of the scale. The number of replies limits the analysis in this instance to broader strokes, as the results of finer comparisons between the replies would be uncertain at best.

The goal of questions 20 and 21 is to find out what product class customers associate Rollsteel with the most.

20. Do you associate Rollsteel more with basic rollforming machines or specialty rollforming machines?

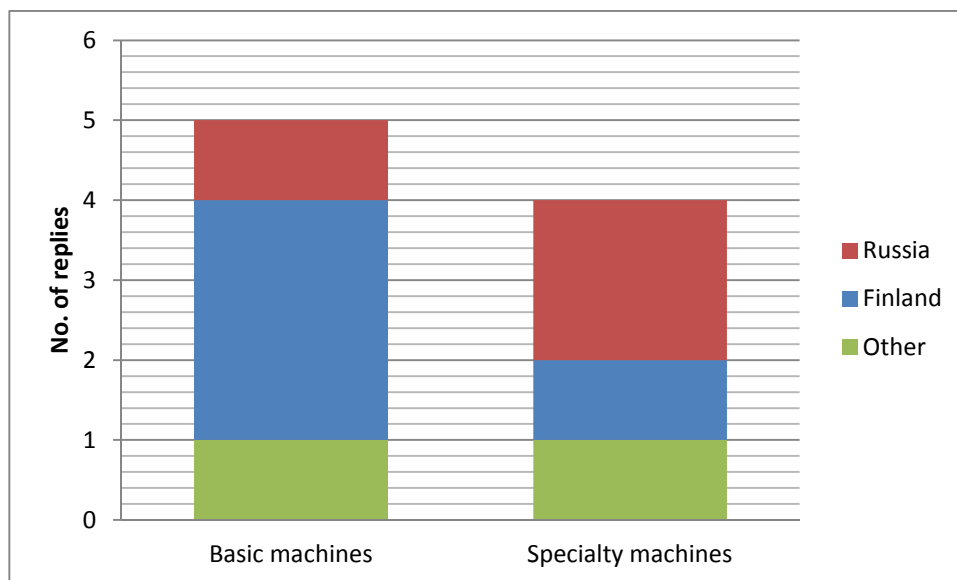


FIGURE 19

As shown in figure 19, the votes were split as evenly as possible, with respondents who associate Rollsteel with basic machines edging out in the majority by a margin of just one. This is an interesting result, as currently Rollsteel mainly manufactures basic, no-frills equipment, though they wish to move on to tackling more complex orders.

21. If you were looking for a supplier for a specialty rollforming machine, would you consider Rollsteel as that supplier?

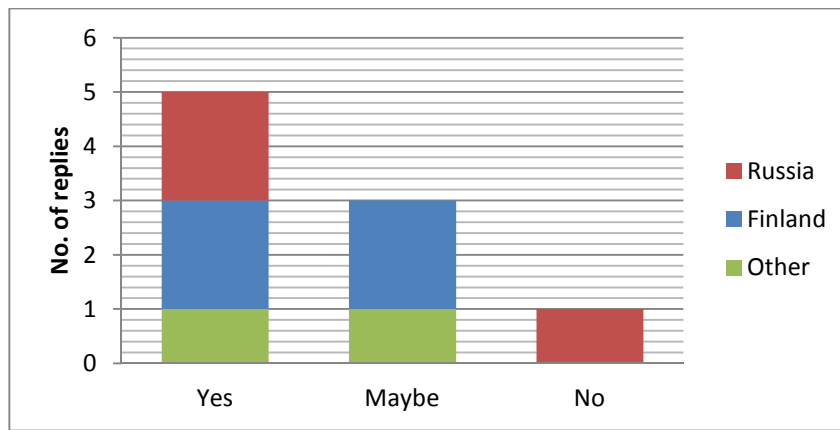


FIGURE 20

The usefulness of the replies shown in figure 20 suffers due to the low number of potential customers who responded to the survey. As is stands, the replies, while positive, mainly just suggest that existing customers would be willing to at least consider buying a more complex machine from Rollsteel. This is of course a positive result as Rollsteel wishes to move on to manufacturing more complex machines. Still, it would have been beneficial to find out what percentage of potential customers would be willing to follow suit.

Finally, questions 22 and 23 measure the perception of Rollsteel products' pricing and quality independently.

22. What is your opinion on the pricing of Rollsteel products in general? (On a scale of 1-7)

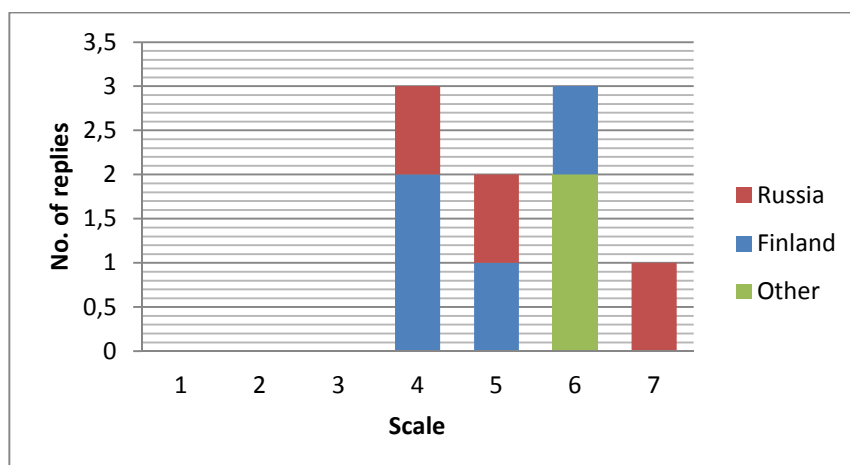


FIGURE 21

Results seen in figure 21 show that, generally speaking, respondents are at least somewhat satisfied with the pricing of Rollsteel products.

23. *What is your opinion on the quality of Rollsteel products in general? (On a scale of 1-7)*

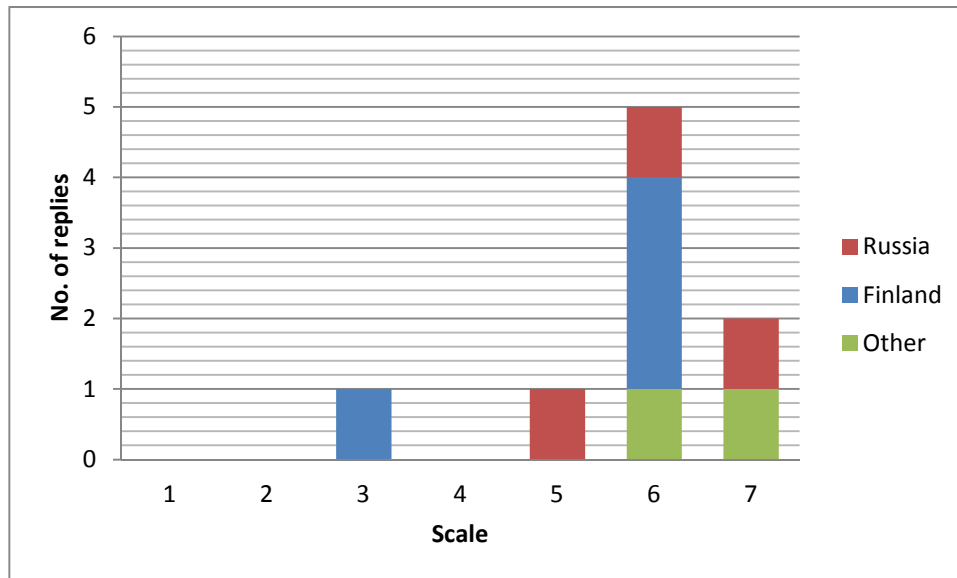


FIGURE 22

Figure 22 clearly indicates that an overwhelming majority of respondents have a very good perception of the quality of Rollsteel products with only one outlier classifying the overall quality as slightly poor. This result comes as no great surprise, as the company prides itself on quality craftsmanship.

In the customer survey, there was one Russian respondent who seemed to have a consistently poor view of Rollsteel as a company. This respondent was not an existing customer yet they replied to questions that were specifically marked as being for existing customers only. This might indicate either a lack of understanding of the directions given in the survey or simply a rushed completion of the survey with no time taken to read the questions or directions thoroughly. As the sample size for the survey was rather small, this statistical aberration had somewhat of an impact on the averages as well as the standard deviation on the scaled questions.

4 CONCLUSIONS AND SUGGESTIONS

The purpose of the study was to find out what kind of brand identity Rollsteel wishes to build for itself and how well the customers' current perceptions of the company match the brand characteristics Rollsteel wishes to communicate. In Rollsteel's case, the question of branding is completely within the context of Business-to-Business interactions, due to the nature of their product and industry. However, the purpose of branding remains the same: to simplify the communication of complex benefits and added value provided by either the product or the organization itself.

4.1 Brand Identity

Currently, the concept of brand identity has barely even been directly discussed internally at Rollsteel, which means that they will have to start from the very basics. The first thing that should be done is to discuss and write down the company's values and vision, as the management presently only has a vague grasp of these concepts. This step is the foundation upon which the brand identity is built. The next step would be to discuss the competitive advantages and weaknesses of the company, which could be incorporated into the brand itself. Right now it would only make sense, due to limited resources, to focus on the core brand identity.

It is of course important to note that if you make certain promises, you also have to be able to fulfill them. If Rollsteel wishes to cultivate an image of technical expertise and a customer-centric approach to business among its customers, it has to be able to deliver on those aspects. This obviously applies to every promise their brand stands for.

When creating and implementing a brand identity, it is easy to make the mistake of only focusing on the outward expression of the brand. However, for a brand identity to truly mean something, it has to be embraced internally as well. This means clearly communicating the purpose and direction of the brand to every employee as well as

making sure everybody understands what contribution is required of them in order for the brand to be successful.

For any company doing business in multiple diverse regions, it bears to consider whether or not it makes sense to tailor their brand based on these different regions. Currently, just over half of Rollsteel's business is done in Russia and while business relationships can be quite different there compared to, say, Western Europe or Finland, it probably makes sense not to spread yourself too thin and instead focus on one cohesive brand identity that can be used in every region seeing as Rollsteel is a small company with limited resources.

A key benefit of branding in Rollsteel's case would certainly be customer retention. As stated by the management, customer loyalty is supremely important to the company, and a strong organizational brand would be another advantage in deterring existing customers from straying to another supplier. Purchasing rollforming machines is a significant investment and a brand that clearly and simply reinforces the benefits in the customer's mind further reduces the risk of repurchasing from a supplier you have already had a good experience with, even if a premium price has to be paid.

Of course, a comprehensive branding process for a company brings with itself a large time and financial commitment and neither is a resource of which Rollsteel has an abundance. However, just focusing on the core brand identity as well as the implementation and communication of this newfound identity can bear fruit. When you have a foundation ready, it becomes much easier to slowly build upon it.

After deciding what the brand's core identity should be, it is time to incorporate those ideas to the company's marketing communications. In Rollsteel's case, the logical place to start would be the company's website and marketing materials such as brochures, both of which are fairly rudimentary at this stage. Both avenues would give a new business acquaintance a better idea of what the company stands for and gives Rollsteel a quick and easy way to differentiate itself from the competition from the very beginning. Written materials plant the seed in the potential customer's mind

which can then be cultivated on a more personal level by sales personnel who embody the brand in face to face communications.

The visual image of the brand was not discussed in this thesis but it is still something worth keeping in mind. Consistent design, colors and themes can help in creating a unique impression in a potential customer's mind. Unfortunately, unless there is someone within the company who has a knack for visual design, professional help would likely have to be employed in order to improve upon this matter. However, outsourcing these kinds of services tends to be expensive and, in any case, it would be prudent to first build a foundation for the brand before moving on to the visual side of things, as a cohesive visual look on all fronts is important.

Based on the interviews with the management of Rollsteel, it is recommended that the branding be primarily based on organizational attributes. This is due to the fact that no matter what supplier a purchaser chooses, they end up with a product that has few tangible benefits compared to competitors. Certainly, there are some differences between products from different manufacturers but the product being industrial equipment, visual branding or emotional benefits are mostly irrelevant. Instead, the key product-related differentiator is build quality which, while important, is not enough to make a massive difference. As pretty colors or a clever tagline are not enough to sell a rollforming machine, more substantial benefits must be associated with the brand. This is where organizational branding comes in. Flexibility on the supplier's part, great customer service and quick deliveries, to name just a few examples, are much more important and if a brand can communicate these organizational traits effectively, the customer perceives this as lowering the risk of their investment. Rollsteel has already in some fashion thought of which of these attributes they wish their company to be associated with, but now is the time to think long and hard what the best options might be and focus on those.

4.2 Brand associations

Encouragingly, nearly all results of the survey were at least somewhat positive. Customer satisfaction was high and most would buy from Rollsteel again while the rest

would at least consider doing so. Unfortunately, this was followed by the biggest disappointment of the survey, which revealed that respondents were mostly ambivalent about the thought of Rollsteel as a partner as opposed to simply a supplier. This result was unfortunate as Rollsteel has expressed great desire in cultivating a sense of partnership with its clients. Clearly, this has not been successful so far. However, it is possible that the same question with better wording may have received a different response. At the very least though, it can be surmised that no respondents felt strongly about a partnership between them and Rollsteel, even though the majority highly valued a close relationship with a supplier.

The survey showed that customers, as a rule, value the things Rollsteel is focusing on in their marketing efforts (country of origin, flexibility, closer relationship with the supplier, quick responses to changes and after sales support). Additionally, speed of delivery was highly valued, something that Rollsteel has so far struggled with.

Reliability, honesty, technical proficiency and customer centricism are traits Rollsteel as a company wishes to project and respondents were asked to rate how well they thought Rollsteel embodies these traits. The results were mixed, but on average still on the positive side of the scale. Due to the low number of replies, it is difficult to be more precise. However, it appears to be safe to conclude that Rollsteel still has a long way to go to really convince the majority of customers as well as potential customers to accept these brand associations.

One of the more interesting results of the study were the questions inquiring if the respondents associate the company with basic or specialized machines and whether or not they would consider purchasing a specialty machine from Rollsteel. The votes were split evenly on the association question with only one less respondent on the specialty side. This is encouraging news, as currently Rollsteel primarily produces basic rollforming machines with little opportunity to show off their technical expertise. Furthermore, they feared that most companies would not even think to associate them with specialty machines. A large number of respondents also said they would purchase a specialty machine from Rollsteel with all but one of the rest saying they would at least consider doing so. Although the results were somewhat skewed by the fact that a large majority of the respondents were existing customers, many of

whom showed loyalty to the company based on the earlier questions. Regardless, this is good news as Rollsteel wishes to move on from manufacturing basic machines to tackling more complex orders.

Finally, there was the question of price and quality of Rollsteel products. The results were very much in line with the expectations of the management. The managers' perception of the situation was that the products were considered to be of high quality with reasonable prices. Clearly most of the respondents weren't exactly ecstatic with the prices, but the majority was still quite satisfied, with the quality being ranked highly.

Ultimately, these results indicate that Rollsteel is mostly focusing on the right things in their marketing, though they have not been entirely successful on all fronts. Clearly there are improvements to be made to their marketing materials, which the company representative admitted as being lackluster. Another development that is required is the definition of the company's brand identity, as that will give direction to the sales and marketing personnel. It is important to fully define these ideas, though, as a half-formed brand identity would only serve to cause confusion. Additionally, these changes would have to be communicated clearly to Rollsteel's international representatives as well, as they play a large part in customer acquisition.

5 SUMMARY

This thesis dealt with branding, brand identity and brand associations. The theoretical concepts of branding discussed revolved around advantages, relevance and valuation as well as David Aaker's models of brand equity and identity. The thesis was assigned by Rollsteel Machine Oy Ltd., a manufacturer of industrial machinery based in Kuopio, Finland.

According to the American Marketing Association, a brand is a "name, term, sign, symbol, or design, or a combination of them, intended to identify the goods and services of one seller or group of sellers and to differentiate them from those of competition." The way brands differentiate is by promising the consumer some kind of ben-

enefit or added value they cannot get from competitors. A strong brand elicits positive associations in the consumer's mind and inspires confidence towards the brand.

A brand identity is much like a person's identity; it gives the brand direction and purpose. In a marketing environment, a brand identity is how the company wishes the brand to be perceived by consumers. A brand identity can be split into two levels, the more important one being the core identity. It is the very essence of the brand, a set of central ideas, values and promises that generally do not change during the brand's lifetime. However, a core identity is usually not enough for a full-fledged brand identity to be formed around. Instead, an extended identity is arrayed around the core, which fills in the gaps in the core identity. With the extended identity wrapped around the core, a fully formed brand identity emerges.

Brand associations are the counterpart to the brand identity. Associations are driven by the brand identity but do not necessarily match it exactly. Brand associations are the abstract ideas and emotions that arise when a consumer thinks of or is exposed to a brand. They are formed based on several factors, such as marketing efforts, direct use of the product or notions of the company behind the brand. It bears to keep in mind that it is not possible to force positive associations upon consumers, they can only be guided towards developing those associations themselves.

The primary goal of this thesis was to explore the current state of Rollsteel's brand identity. This was achieved through a qualitative research method which, in this case, involved interviewing three managers in key positions within the company. The interviews were conducted in a half-structured manner, meaning each interviewee was asked the same questions in the same order, but they were free to answer each question as they saw fit.

Results of the interviews showed that brand identity had been discussed internally only in a most cursory manner, with no steps being taken to define or implement it in any way. However, the interviews revealed that each manager had some ideas of what the core brand identity of the company could be, which more or less matched the others' ideas. Key brand identity elements that can currently be delivered on were considered to be Finland as the country of origin, flexibility during negotiations

and manufacturing, close relationship with the customer, comprehensive after sales support, experience in the industry, good price/quality ratio and technical expertise. The interviews also revealed that the company would wish to promote these brand elements more aggressively, especially their technical expertise as they wish to move on to manufacturing technically more complex machines. Additionally, while the sales personnel is committed to the idea of customer centricism, that does not currently apply to the rest of the company, which is seen as problematic.

However, seeing as how even the values, vision and core competencies of the company have yet to be defined, the branding process will have to be started from the very basics. This does pose a problem, though, as a branding process is at the very least time consuming and the managers' schedules are already strained. Hiring outside help might not be a possibility either, as there isn't much money in the budget to spare for additional marketing efforts.

As a whole, the thesis would have to be considered successful, since both the primary and secondary research goals (exploration of the company's brand identity and a brand association survey, respectively) were met. As the subject of the thesis was assigned by a company, it is paramount that they get useful results out of the study, which is also believed to have been accomplished, as the interviews brought to light

However, the thesis was not without its flaws. For instance, in the end, the theory section the thesis ended up relying slightly too much on David Aaker's work. Also, the source material, while not dated, could have been more recent. The interview technique in the brand identity interviews was not ideal; the questions ought to have been explained more clearly and the interviewees should have been more forcefully brought back on track when they veered off topic. As far as the brand association survey goes, the questions and instructions could have been more clearly phrased, in order to minimize the chance of misunderstandings. There could have been more obvious instances where two or more questions correlated with each other by design. Finally, the response rate to the survey was disappointing, though the timing was somewhat unfortunate, as it was at the turn of the month between April and May, which was a holiday in Finland and in Russia many people started their spring vacations just then. To exacerbate the problem, no suitable prize was found in time

for a raffle between the respondents, which could have resulted in at least a handful of extra replies.

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APPENDICES

APPENDIX 1: CUSTOMER SURVEY

The survey is anonymous.

1. In what country or region does your company primarily do business?
2. Have you ever purchased a Rollsteel product?
 - € Yes
 - € No

If the reply was no, proceed to question number 6.

3. Are you happy with the machine you purchased?
Very unhappy 1 - - - - - 7 Very happy
4. Would you purchase another machine from Rollsteel, should the need arise?
 - € Yes
 - € Maybe
 - € No
5. Do you consider Rollsteel to be more of a supplier or a partner to you?
Supplier 1 - - - - - 7 Partner

If you replied to questions 3-5, you may skip this question.

6. If you chose another supplier instead of Rollsteel, what were the primary reasons? You may choose more than one.
 - € Price
 - € Quality
 - € Rollsteel's reputation
 - € The other company's reputation
 - € Other, specify in the next text field
7. If you replied other, specify here

How important are these factors for you? (Asteikolla 1-7)

- | | |
|------------------------------------|---|
| 8. Country of origin (Finland) | Not important at all 1 - - - - 7 Very important |
| 9. Flexibility | Not important at all 1 - - - - 7 Very important |
| 10. Speed of the delivery | Not important at all 1 - - - - 7 Very important |
| 11. After sales support | Not important at all 1 - - - - 7 Very important |
| 12. Relationship with the supplier | Not important at all 1 - - - - 7 Very important |
| 13. Quick response to changes | Not important at all 1 - - - - 7 Very important |

14. What are the most important factors for you in a purchasing decision? You may choose more than one option.

- € Price
- € Quality
- € Relationship with the supplier
- € A speedy delivery
- € Other, specify in the next text field

15. If you replied other, specify here

How well do the following terms describe Rollsteel: (On a scale of 1-7)

- | | |
|---------------------------|------------------------------------|
| 16. Reliability | Not at all 1 - - - - - 7 Very well |
| 17. Honesty | Not at all 1 - - - - - 7 Very well |
| 18. Technical proficiency | Not at all 1 - - - - - 7 Very well |
| 19. Customer centrism | Not at all 1 - - - - - 7 Very well |

20. Yhdistättekö Rollsteelin enemmän peruskoneisiin vai erikoiskoneisiin?

- € Basic machines
- € Specialty machines

21. Jos olisitte ostamassa erikoiskonetta, harkitsisitteko Rollsteeliä toimittajaksi?

- € Yes
- € Maybe
- € No

Rollsteelin tuotteiden hinta/laatusuhde?

- | | |
|--------------|----------------------------------|
| 22. Price : | Very good 1 - - - - - 7 Very bad |
| 23. Quality: | Very good 1 - - - - - 7 Very bad |

APPENDIX 2: BRAND IDENTITY INTERVIEW QUESTIONS

Q1: Have the company's values, vision and core competencies been defined? Describe them with your own words.

Q2: How does the company currently strive to differentiate itself from competitors?

Q3: What benefits or added value does the company provide for its customers?

Q4: What do you consider the brand's strengths and weaknesses to be?

Q5: Describe the brand's core identity.

Q6: Has the concept of brand identity been discussed internally so far?

Q7: In what way are the company's values displayed through marketing materials or sales conversations?

Q8: What brand elements are focused on in marketing communication?

Q9: Where do you see the company being in 3-5 years?

Q10: What associations would you like to attach to the brand, that customers currently may not have at the moment?

Q11: What brand associations do you believe the customers (as well as potential customers) currently have of the company?

Q12: Describe the brand's personality with a few adjectives or, if easier, compare it to a car brand or an animal.

Q13: How does the brand identity show in the company's operations on different levels?

Q14: How important is brand loyalty to you?

Q15: What is the pricing of your products based on? What direction do you wish to take it?