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Toward a Model of Brand Strategy Adoption

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Abstract:

In recent years, there has been an increasing interest in studying brand orientation. Prior research approaches brands as strategic resources and provides considerable support for the relationship between brand orientation and firms' financial performance. What is not well understood is how companies become brand oriented. However, much of the literature sees that the branding process starts with an understanding what a brand is, which is not self-evident in a non-traditional marketing context. The purpose of this paper is to investigate adoption of a brand strategy to understand basic decisions and issues what managers face when becoming brand oriented. The context of the study is companies who do not possess much marketing knowledge, such as high technology small and medium size enterprises (SMEs). The methodology applied in the empirical study was a qualitative, exploratory research. The data was collected primarily from personal face-to-face in-depth interviews in the USA and in Finland. Based on the results, a model of the early stages of a brand strategy adoption process in high tech SME context is proposed. This study contributes further to brand orientation literature by providing a process view and understanding how the extent of brand orientation may be or has been achieved.

Keywords: Adoption, brand management, brand orientation, brand strategy, high tech marketing, small and medium sized enterprises,

Introduction

Urde (1999) commences a theoretical discussion and conceptual development of the need for an approach to brands as strategic resources. Urde *et al* (2013) see brand orientation as an identity-driven approach where brands are a hub for an organization and its strategy. This approach sees brand orientation as a reflection of company's culture or certain mindset. A typology of brand orientation includes a model of the brand strategy process in which the links between four critical constructs (brand distinctiveness, brand orientation, brand marketing performance and brand barriers) are specified. (Wong and Merrilees, 2005). In other words, their model presents a cross-section of the nature of a company's choices.

In recent years, there has been an increasing interest in studying brand orientation, although the number of the studies is still small, particularly in the SME context (Baumgarth, Merrilees and Urde 2013). Brand orientation is measured in terms of whether a brand is seen as a valuable asset and whether it is an essential part of the firm's strategy (Reijonen *et al*, 2012). The research interest has focused on measuring the relationship between brand orientation and a firm's performance (Wong and Merrilees 2008) and firm's growth (Reijonen *et al*. 2012). Anees-ur Rehman (2014) has proposed three levels (management, mindset and performance) of brand orientation conception in b2b sector. He argues that each level should be embedded into internal and external environments.

The criticism towards concept of brand orientation has been for its lack of clarity. This discussion has aroused a proposition of a new concept "corporate brand orientation" which highlights the brand as a source and guideline of the organization. (Balmer, 2013). Nevertheless, far too little attention has been paid to the prerequisites that a firm needs in order to become brand oriented, how to achieve a brand oriented mind-set and how to ensure implementation (Gyrd-Jones, Helm and Munk, 2013). These are important aspects since lack of understanding of a brand strategy and brand management may impede the financial

performance of the SME high tech firms. Financial success in business is of primary importance for the majority of companies, and a significant and positive link between strong brands and companies' performance has been recognized by prior studies (Ambler, 2012; Berthon *et al*, 2008; Doyle, 2001; Gromark and Melin 2011; Keller, 2008; Krake, 2005; Rao, 2005). In addition, the existing branding literature emphasizes how to identify the outcomes of branding success but simultaneously reveals only an inadequate amount of research on how to reach those outcomes. In order to understand and provide further understanding of how to reach targets Warren and Hutchinson (2000) recommend to study the processes from the perspective of an individual.

The aim of this study was to shed some light on understanding the basic decisions and issues that managers face when becoming brand oriented. This article considers achieving a brand oriented mindset from the adoption process approach. The objective was to explore the phenomenon by developing a process model of a brand strategy adoption based on a synthesis of recent literature and empirical data. In comparison with brand orientation, another or a supplementary way of expressing the strategic role of a brand is by emphasising the link between branding and strategy. The research to date has tended to focus on the outcomes of brand orientation and management, not on the process of adoption or implementation. Nonetheless, the aim of the present study was not to understand or describe the conception of a brand strategy in high tech SMEs as such. The role of a brand strategy in the present study was only the objective of adoption.

The chosen viewpoint was an individual's perception of the adoption process. Research conducted on the perceptions of managers about branding seems relatively scarce (Centeno *et al*, 2013; Gundala and Khawaja, 2014; Hoskisson *et al*, 1999; Urde, 1999) although managers are the drivers of companies' performance, and their decisions correlate to a large degree with the success of a brand (Berthon *et al*, 2008; Gilmore *et al*, 2001). The remaining paper begins

with the relevant literature on relationship between branding and strategy, adoption and organizational and managerial factors. Then, the research methodology is described which involves data description and analyses. In the results section, I present the findings and the proposed model of brand strategy adoption. In the conclusions section, I discuss the implications of the model for the role of public organisations and high tech SME managers. Finally, the theoretical and managerial contributions of the present study are considered and its limitations are evaluated.

Literature review

This section focuses on understanding the basic processes of brand strategy adoption that seem especially relevant in the context of a non-traditional marketing environment, such as that in high tech SME's. The conceptual framework for the present study was obtained by integrating the discussions of the relationship between strategy and branding, context and organizational and managerial related factors. In Figure 1 the structure of the framework is visually clarified.

FIGURE 1 The conceptual framework and understanding of the basic processes of the brand strategy adoption

Source: Adapted by the author

Relationship between strategy and branding

The construct of brand orientation is about creating, developing and protecting brands as strategic resources and it was first introduced by Urde (1994). Although the construct has been applied in many contexts (Baumgarth *et al*, 2013) there is an absence of a discussion about how companies become brand oriented. Prior research acknowledges the importance of mindset of brand orientation as the first level of its approach (Urde *et al*, 2013; Anees-ur-

Rehman, 2014). A typology of brand orientation includes a model of the brand strategy process in which the links between four critical constructs (brand distinctiveness, brand orientation, brand marketing performance and brand barriers) are specified (Wong and Merrilees, 2005). In other words, the model presents a cross-section of the nature of a company's choices. Brand orientation is measured in terms of whether a brand is seen as a valuable asset and whether it is an essential part of a firm's strategy (Reijonen *et al*, 2012). This study adapts the view that a brand strategy is comprised of both; brand equity and a strategy. Its characteristics are described based on prior literature as follows:

First, Holistic viewpoint. The approach in this study towards a brand strategy was the holistic viewpoint and this viewpoint was chosen based on the competence based theory by Hunt and Lambe (2000). A holistic approach is also supported in branding literature (Doyle, 2001; Kotler *et al*, 2009; Miller, 2014; Vázquez *et al*, 2002). A long-term holistic brand strategy viewpoint depends on making a critical distinction between a product- or brand-centered-orientation. Product orientation emphasizes the product plus-viewpoint whereas brand orientation emphasizes the setting of a brand strategy that guides decision making and contributes to the business strategy. The brand-centered orientation is seen vital in the high tech SME context, since a brand strategy can be created already before the product or innovation is ready for launching to the market (Hamann, Williams and Omar, 2007).

Second, Importance. Much of the current literature emphasizes that a brand strategy is important in achieving a company's profitable performance and competitive advantage (Aaker, 1996; Abimbola, 2001; Ambler 2012; Berthon *et al*, 2008; Keller, 2008; Reijonen *et al*, 2012; Urde *et al*, 2013; Wong and Merrilees, 2008). As an outcome of a successful brand strategy implementation, a sustainable intangible asset can be achieved. In order to hold the potential of sustained competitive advantages, a brand must have four attributes: 1) it must be valuable in the sense that it exploits opportunities and/or neutralizes threats in a company's

environment, 2) it must be rare among a company's current and potential competition 3) it must be imperfectly imitable and 4) there cannot be strategically equivalent substitutes.

(adapted from Barney 1991).

Third, Conception of a brand strategy. Based on the literature review (Baumgarth *et al*, 2013; Urde, 1999; Wong and Merrilees, 2005) it is assumed that there is a clear link between branding and a strategy. In the form of skills and resources strategic management allows a company to implement a brand strategy superior to its competitors. (Adapted from Hunt and Lambe, 2000). The present study aims to propose the conception of a brand strategy by integrating theories of branding and strategic management. The conception of a brand strategy has been characterized by the definition of strategy-making by Mintzberg (1994). Hence, it highlights a dynamic framework and the content of decisions. This is summarized in Figure 2.

FIGURE 2 Proposition for the conception of a brand strategy

Source: Adapted by the author

As a summary, I propose and define a concept of a brand strategy adoption process as *“the process through which an individual becomes aware of a brand strategy and begins to search for information, passes from the first knowledge of a brand strategy, to the formation of an attitude toward a brand strategy, to a decision to adopt or reject, to the implementation and use of the brand strategy and to a confirmation of this decision”* (adapted from Rogers 2003 and by the author 2014).

Adoption process in high tech SME's

A major theme for the present study was the story of adopting new ideas. All in all, adoption is about change in human behaviour. The attempt to understand human behaviour extends the

roots of the present study back to the early 1900's and to Gabriel Tarde, one of the forefathers of sociology and social psychology who underlines the essential role of adoption (Rogers, 2003). Thus, the concept of adoption is a leading aspect of the present article, and it is seen as a process. This viewpoint is adapted from Rogers's model (2003, 170) and it is supported by a knowledge-based view (Kogut and Zander, 1992, Teece *et al*, 1997) which emphasizes the longitudinal learning process within an organization. Adoption includes dissemination of a new idea which requires change in human behavior. On the basis of the innovation diffusion literature (Moseley, 2004; Murray, 2009; Rogers, 2003) and strategic management literature (Eisenhardt, 1989; Mintzberg, 1994; Teece *et al*, 1997) the main early stages of the adoption process are suggested to be knowledge, persuasion and decision. The knowledge stage is influenced by prior conditions. Knowledge as such is seen as comprising both information and know-how (i.e. the ability to use the knowledge) (Kogut and Zander, 1992). The perceived characteristics of the brand strategy affect the persuasion stage. Decision, whether it leads to adoption or rejection of the brand strategy, is seen vital in the process.

The purpose in this work was to provide an in-depth analysis of small and medium-sized enterprises, so called SMEs since governments globally have recognized SMEs as an important component of economy. Hence, the predisposition and the focus in the present study were to emphasize growth-orientation, since SMEs are seen as drivers of regional and global growth, new advanced technology and innovations.

Challenges for high technology (later high tech) SMEs are more numerous and complex compared to SMEs in other sectors due to the turbulent business environment. Temporal and Lee (2001) identify two main reasons for technology companies' non-branding strategies. Firstly, many of the top managers are not marketing specialists and therefore do not have branding skills. Secondly, the companies have too many, other more fundamental problems, which moves brand development to a second class priority. This view is supported by Krake

(2005) who has suggested that brand management activities are not on the top priority list of SME owners.

Although there already are some studies on SMEs that have focused on branding, this relatively new context-related approach of brand study is still at a pioneering stage. Prior research suggests that some brand models and relationships may perform differently in other contexts. For instance, Abimbola (2001) attempted to understand SME branding as a competitive strategy and concludes that branding was highly relevant to SMEs. Several researchers (Berthon *et al*, 2008; Centeno *et al*, 2013; Gundala and Khawaja, 2014; Krake, 2005; Reijonen *et al*, 2012; Spence and Essoussi, 2010; Warren and Hutchinson 2000; Wong and Merrilees, 2005) have studied brand building and management in SMEs. There is a large understanding that SME brands are built in a non-traditional manner, with limited resources and minimum planning, from an innovative, experiment-oriented and resourceful approach. Taken together, it is for future research to show the full potential of SME branding research and to make a significant influence on and contribution to branding and the marketing discipline (Krake, 2005; Wong and Merrilees, 2007).

Organizational and managerial related factors related to a brand strategy adoption

According to Keller (2008), strategic brand management involves the design and implementation of marketing programs and activities in order to build, measure and manage brand equity. He defines the strategic brand management process “*as having four main steps 1) identifying and establishing brand positioning, 2) planning and implementing brand marketing programs, 3) measuring and interpreting brand performance and 4) growing and sustaining brand equity*”. The definition implies that the process starts with an understanding of what a brand is, which is not self-evident in a non-traditional marketing context. Effective brand management is critical and has an important role in developing long-term profits for

companies (Doyle 2001; Keller 2008). Maddock and Vitn (2008) point out why companies' lack of successful innovation is due to not having the right processes in place. Managers need to move from an idea or strategy to execution, and that is where the majority of companies struggle.

Firstly, the importance of the role of the manager and human capital in the strategic process is undisputed (Mintzberg *et al*, 2005; Porter, 2008; Shrader and Siegel, 2007; Teece *et al*, 1997). The resource-based view (Barney, 1991; Barney *et al*, 2001) sees a manager as a source of sustainable competitive advantage and consequently, managerial learning can be a strategic issue. On the basis of the strategic management literature, the manager affects the strategic process by synthesizing his learning into a vision towards a specifically targeted goal. The strategic management literature firstly emphasizes the importance of a strong leader and leadership. The focus on a leader emphasizes the personal qualities of the individual, and when the focus is on leadership, the emphasis is on methods.

Secondly, the strategic management literature emphasizes the content of the strategic decisions (Bagnoli and Vedovato, 2014; Berthon *et al*, 2008; Mintzberg *et al*, 2005). The foundation of a manager's learning is a combination of her/his and the organization's other members' previous experience and hard data, such as market research. The studies on technology-based companies also highlight the importance of networking as a source of new information and a strong predictor of performance. (McGovern, 2006; West and Noel, 2009). The manager in an SME high tech context is in the key role of making the strategic decisions including the decisions concerning branding (Doyle, 2001; Gilmore *et al*, 2001). Prior conditions affect the manager's knowledge and he forms an attitude towards a brand strategy. Finally, without the manager's acceptance, a brand strategy will not be implemented in the organization.

Based on the literature review, it is proposed that the branding process begins inside the organization and that it is a necessity for brand development since it broadens the set of tactical choices and highlights brand-related strategic goals. (Urde 1999; Anees-ur-Rehman 2014). This can be seen as the first stage, i.e. the adoption process of a brand strategy. Furthermore, it is proposed that branding is slightly different in high tech companies compared to traditional ones due to context related factors. High tech brand equity may largely consist of innovation and creativeness and they need to be turned into customer benefits. Consequently, it is assumed that brand management as high tech SME manager's framework for detecting innovation and growth opportunities is inadequately recognized in the literature.

Implementation and research method

A literature search reveals some amount of qualitative research in the field of branding in SMEs. According to several researchers (Centeno *et al*, 2013; Wong and Merrilees, 2005, 2007; Krake, 2005; Spence and Essoussi, 2010) the qualitative approach was judged to be the most appropriate in order to answer the research question:

“What is brand strategy adoption in high tech SMEs?”

Qualitative methodology is well suited since the intention was to approach people. The characteristics of the individual respondents helped to choose the optimum research techniques. This was based on understanding that the respondents may have not been able to conceptualise or articulate brand related questions due to the fact that their background was not in marketing. Qualitative methods are associated with exploring the social reality from the point of view of those in it (Patton, 2002). The aim of qualitative methods is not to create statistical generalizations, but, instead, study issues in depth and detail. Approaching fieldwork without being constrained by prior analysis contributes to openness. Qualitative

methods thus leave room for the respondents' subjective experiences, for hearing their own voices and enabling them to raise those issues that they consider the most important. (Daymon and Holloway, 2002; Patton, 2002).

Since the aim of the present study was to understand SME managers' experiences, opinions and knowledge, I chose to collect the data primarily from in-depth interviews. I designed a discussion guide for choosing the appropriate type of questions before conducting the interviews. I gave the priority to the respondents own ideas and provided them with an opportunity to explore their own thoughts. However, I also took the freedom to prompt for more information if something interesting emerged. The companies were selected on the basis of four determinants. The first two criteria were drawn from the EU definition (European Commission 2005). Companies needed to be small or medium size enterprises (SMEs) and they needed to be growth-oriented. The third criterion for selecting companies was that they could be characterised as high tech companies, either at the moment or in the future (definitions in Grønhaug and Möller, 2005). The fourth criterion, the nationalities of the companies, was also of significance. The United States has been the leading producer of high tech products for the past decade (The World Bank Data, 2016), and the growth of the Finnish GDP comes mainly from high tech (Eurostat High-tech statistics, 2016). The description of the companies can be found in Appendix 1 in the order in which the interviews were conducted. The selection of the respondents consists of people who know as much as possible about the research phenomenon and the summary table of their background, knowledge and experience can be found in Appendix 2. They were those high tech SME managers, who were at the moment, or had been responsible for marketing decisions. The data was collected in 2008-2009. All interviews were recorded and transcribed word for word.

I also collected secondary data from brand touchpoints, in other words from visual expressions of a brand strategy, such as business cards, leaflets, advertisements, annual

reports and websites. According to Wheeler (2003) a brand touchpoint is an opportunity to strengthen a brand and to communicate about its essence. When a brand strategy is visualized and tangible, it communicates and appeals to the senses. Therefore brand touchpoints imply the rate of adoption. The documentary records provided me further insights of the companies and their branding issues. The list of the secondary data can be found in Appendix 3.

The methodology applied in the data analysis was content analysis. The data was analyzed from a homogenous viewpoint. I derived the themes and concepts from the theoretical frame although the emphasis was on Rogers's (2003) diffusion research. Rogers's theory guided me to understand, which questions I could "ask" from the data. I chose to focus on Rogers's (2003, 170) model of five stages in the Innovation-Decision process because 1) it was compatible with the aims of this study since it portrays the whole decision process from non-awareness to the decision, 2) it has been extensively validated (Moore & Benbasat 1991) and 3) it can be applied to many contexts. When examining the data the attention was paid to how the data described the phenomenon. For example, attention was paid to the previous knowledge and experience of the managers and what they actually did. The analyses was initiated immediately after each interview. Following the abduction logic, I went back and forth between the framework, data sources and analysis. The advantage of using this procedure was also that I learned to probe for more detailed descriptions of the phenomena during the following interviews. One indicator of such learning is the number of the transcription pages. The total amount of transcribed data in the first interview was 6 pages and in the following interviews between 15-54 pages.

Finally, the findings were verified in order to demonstrate that I had presented a valid meaning of the collected data. When I conducted the interviews, I asked the questions in a different way from different individuals, learning from the previous sessions. In addition, I presented and discussed about the findings with other high tech SME managers. The aim was

to seek other possible explanations and evidence to support the presentation of the results of the present study.

Results

The following sections present the findings of the present study which have been adapted from the author's prior research. Figure 3 depicts the basic issues what managers face before becoming brand oriented. Furthermore, it displays the proposed model which increases our understanding of the first four (4) early stages of adoption. In Figure 3, the constructs arising from the data are referred to as: "becoming aware", "beginning information search", "forming an attitude" and "adopting or rejecting". The processes are presented in the figure, although in reality the behavior of an individual, in the present study, a high tech SME manager, is not necessarily straightforward and the decision is not an instantaneous act.

The main different constructs and how they potentially affect the process were identified and classified on the basis of a theoretical and empirical framework. This study suggests that the phenomenon of brand strategy adoption is composed of several stages. However, the proposed model represents the focus of this study and consists therefore only of the first four stages and it is presented from the perspective of an individual, a high tech SME manager. The adoption process consists of multiple choices and activities and their impact on independent and/or linked procedures over time. Every stage requires resources and can also be approached from a strategic perspective. The different stages are illustrated by using large boxes which also refer to the boundaries of the context of the present study.

The horizontal direction of the model illustrates that the adoption occurs in the course of time. Based on the data, it is difficult to estimate how much time the adoption process

requires. However, the literature review and the results of the present study indicate that the majority of high tech SME managers are still at the early stages of the adoption process. It is therefore likely that the process is slow, practically stationary. However, these results should be interpreted with caution.

The name of the stage characterizes high tech SME *managers' perceptions* of the stage, and they are illustrated by using smaller boxes. During each stage, a manager disseminates new ideas or knowledge which *change the manager's behavior* and enables to move on. However, the findings indicate the possibility that a manager does not move on in the adoption process and, hence, there are gaps between the stages.

Based on the findings of this study, the activities or decisions that impact on independent or linked procedures are grouped into two dimensions; those that *facilitate* and those that *impede* the adoption. These dimensions are illustrated by using arrows and multi-faceted stars. In addition, the direction of arrows is used to illustrate the possible impact on adoption. Understanding the influence of these dimensions is especially important for stakeholders, such as public organizations, who want to enhance the adoption process.

The empirical findings of this study indicate that it is difficult to know when the initial stage begins. The findings suggest the existence of the “becoming aware” – stage, even when managers are not aware of this phase. However, the findings highlight the importance of the initial stage, since during this stage the manager interprets branding messages and forms an understanding of his/her own involvement in marketing activities. Since the high tech SME environment is not cluttered with brands, pioneering companies may gain strategic and competitive advantage by successful brand management. The findings indicate that a non-marketing background limits high tech managers understanding of the branding advantages. Thus, this may lead to the rejection of the idea of adopting a brand strategy.

During the second stage, a manager begins to search for information from a variety of sources of information: networks, written sources, people who help for ethical reasons, social relationships, opinion leaders and change agents. The need often arises when a company aims to communicate a consistent message. Managers prefer the type of information which can be obtained cost-effectively and quickly and which is specialized and virtual. However, the selection of the information can be based on a subjective interpretation within of the frame of the industry's values. The findings suggest that in general the respondents do not possess much knowledge about branding. Their first attempts to build up brands are remarkably similar. The respondents generally bring up the idea that decisions are made intuitively guided by the mandatory, often legal, steps. The managers do not seem to recognize that their intuition is based on their experiences within their own industry. Obviously, this usually leads to product-centric decisions which can also be of strategic significance. Despite the importance of the early stage decisions, the managers are not necessarily yet aware of all the consequences. The respondents of the present study seem to agree that giving a name is one of the most important of the early stage decisions.

One of the most significant findings emerging from this study is that giving a name to a company, product or innovation is actually a strategic thinking process. The respondents do emphasise the strategic significance of a brand name. In fact, the respondents tell numerous examples of the communication power of a good name, and some of them even say that the name can protect the innovation. However, what is alarming is that the importance from the branding point of view is often under-acknowledged. Aaker (1996) and Keller (2008) recommend that a name should communicate the value to the customer and differentiate the product from that of the competitor. The findings suggest that in general the respondents fail to give a name from a branding viewpoint. A good name is viewed as a subjective interpretation, and it can be seen in the industry's own frame of values. The value of the

finding is in its occurrence specifically in the high tech SME context. Typically, other brand contexts such as those in the consumer goods industries, public organizations, locations, are already cluttered with names.

Finally, managers' own capabilities may either impede or facilitate the adoption. In order to enhance the adoption, the findings suggest a number of activities for public organisations, such as, providing networks and connecting people with different backgrounds, as well as providing experts specialized in high tech marketing. The main barriers are linked with knowledge resources. However, more theoretical and empirical research is needed in order to be able to suggest practicalities.

During the third stage a manager forms an attitude towards a brand strategy. This study has shown that in general a brand strategy is perceived by the respondents to provide greater advantages than a product strategy. The findings suggest that the expected benefits are primarily connected to strategic and managerial advantages. To a minor extent, financial advantages were also seen of significance. This, however, can be proved only in the long run.

The stage includes phases when advantages are weighted against the costs of adoption. In fact, the perceived risk is seen significant since there are plenty of costs revolving around brands during the first steps. The interpretation of the present data implies that the respondents are not fully aware of the fundamentals and advantages of branding, and it can be considered to be a result of an inadequate adoption process of a brand strategy. On the other hand, since the respondents are able to chart numerous rewards, in particular strategic advantages, it is also possible that the strategic role of a brand is greater in the high tech context compared to traditional marketing in which the literature has emerged. As perceived by the high tech SME managers, marketing was not considered to fit closely with their situation and it was not regarded as a familiar or favourable issue. In addition, since branding

is not generally diffused in high tech, the trigger to adopt a brand strategy may arise only on the condition of having close connections to other types of companies. Thus, it may be that high tech SME managers utilize a brand strategy incorrectly. As discussed earlier, they may lack capabilities since they manage a brand based on their previous experience. According to the experiences of the respondents, a brand strategy requires resources and is difficult to understand and use. The multi-dimensional complex nature of a brand strategy can be a major barrier of adoption.

Apart from past experiences, the respondents do not perceive a brand strategy to be quite consistent with their existing sociocultural values, either. The influence of gaining a social status on creating a brand strategy is weak. However, by creating innovations the respondents clearly gain a social status within their community and they want to link emotional associations to their product. Consequently, the roots of intangible values are linked to the product features instead of a creative brand strategy. Thus, intangible values are not created as part of a brand strategy development but as part of product development.

During the decision stage, the adoption process either continues further to the implementation stage or ends. A manager may decide to implement a brand strategy and, thus, decide to adopt a brand strategy. Based on the findings, it seems that brand building may be adapted or take new forms in the high tech SME context. A high tech manager's ability to innovate can inspire and be even a source of new thinking also in the field of traditional marketing. It is important to understand what applies from the past and traditional marketing and what new rules are unfolding that will create the success stories of tomorrow. The implementation stage, however, was not in the focus of this study.

Alternatively, a manager may reject a brand strategy by simply forgetting about it or choosing an alternative strategy. The findings indicated that the managers' tendency was to

postpone decisions because they wanted to focus on other business areas, often product development. Typical characteristics of SMEs, such as an ad hoc-way of life, may impede the adoption since everyday decisions occupy and overshadow the strategically more important, not so instant, decisions. The complexity of the environment puts managers in a paradoxical situation, since brand building seems to start even before the product is ready to be launched into the market. When interpreting the data at hand, the primary reason for launching a product as soon as possible is to generate cash flow. Since the financial foundation is relatively weak, the resources are allocated on a short term basis. Thus, the present study suggests that money is significant in directing strategic decisions. On the other hand, prior studies (Walker & Mullins, 2008) point out that being a pioneer is not always the way to success. They recommend that companies should target the market by adapting to the market conditions and recognizing opportunities although it may require a longer product development process. The needs for money and time seem to be two overlapping, but necessary elements. Much like the respondents of this study, Möller and Rajala (1999) stress that the influence of the high tech context is highly complex. Taken together, these results suggest that the rejection of a brand strategy adoption decision can be interpreted both from a strategic and time management viewpoint.

One more implication emerging from the data is that although the product development issues are drawing the majority of the attention, it seems worth the time at the moment. However, only in retrospect when assessing the achievements, does the need of early stage strategic branding decisions arise. The pressing everyday decisions occupy the working day and overshadow the strategically more important, although not so instant, decisions. Although the respondents have experiences in trying a brand strategy the low level of implementation implies that a brand strategy has not been adopted as a whole. In other words, a brand strategy is only experimented with on a limited basis.

FIGURE 3 A four-stage model of a brand strategy adoption by high tech SME managers

Source: Adapted by the author

Conclusions

The present study has discussed how companies become brand oriented by understanding of brand strategy adoption in the context of high tech environment, especially in small and medium sized companies. Similarly to the findings in the present study prior studies (Gilmore *et al*, 2001; Moriarty and Kosnik, 1989; Temporal and Lee, 2001; Wan *et al*, 2013; Ward *et al*, 1999) have discovered that high tech SME managers' background affect their intentions of marketing or brand management. Many prior studies (Armario *et al*, 2008; Hills *et al*, 2008; Gromark *et al*, 2011; Grønhaug and Möller, 2005; Wong and Merrilees, 2008) stress the need to enhance market or brand orientation in SME's in order to create competitive advantage and thus enhance their success. The findings of the present study confirm that the need has not disappeared.

The need of early stage strategic branding decisions arise from the data. Urde (1999) draws to attention that in order to enhance brand orientation, branding needs to be incorporated into a company's strategic planning from a very early stage. This view is supported by Juntunen *et al*, (2010) who see that the time period and the growth of the company are important components of SME brand building. Their study focused on corporate brands, and the findings showing that corporate brand building starts even if the corporation in question exists, are consistent with the findings of the current study, namely the importance of decisions concerning the early stages of product development.

Moreover, I have presented in the previous section a new empirically grounded model of brand strategy adoption (see Figure 3) that illustrates the three main stages of brand

strategy adoption. In the figure 3 the adoption is presented from process approach, although in reality the behavior of an individual, in the present stud, a high tech SME manager, is not necessarily straightforward and the decision is not an instantaneous act. However, by developing a model, a number of gaps in our understanding and knowledge of what facilitates and impedes brand oriented mindset, becomes more apparent. Based on the literature found for the present study, the adoption process of a brand strategy has not been either conceptualized or presented before. Centeno *et al*, (2012) have, however, recognized some starting conditions of SME brand-building. Wong and Merrilees (2005) have illustrated a model of a brand-driven approach to the brand marketing strategy, in which they identified “brand barriers”. This refers to the obstacles that hinder SMEs to carry out brand-based activities.

The results help us to understand why branding has been so slowly adopted by high tech SME managers. In fact, there seem to be more barriers than catalysts in the adoption process. Moreover, the results provide us with an understanding what changes are needed in order to enhance the adoption of brand strategies. Promoting general awareness of branding advantages in high tech, allocating financial and knowledge resources to support marketing activities, enabling cross-functional networking, facilitating market orientation in the organisation, providing more literature aimed at practitioners about branding and/or branding an innovation in high tech are the main mechanism to facilitate adoption at the early stages.

The results regarding compatibility lead to recommendations that public organizations should enable and support branding clusters. Brand orientation can be an interrelated element for all types of companies and organizations. In a branding cluster the companies would learn from and trigger each other in developing their branding strategies. It should be born in mind, however, that a mind-set for building brands is a fundamental change for a company, and, therefore, all the available support by peers and by experts is needed. To some pioneer high

tech SME companies as well as to some conscious regions branding clusters may prove to be an opportunity of sustainable growth. All in all, the results lead to the recommendation of a long-term investment in knowledge resources in order to develop marketing and communication skills and abilities in high tech SME organizations.

Theoretical contributions and suggestions for the future research

This study offers three main contributions to the branding literature. Firstly, it revises the *brand orientation literature* by providing a process view. A theoretical implication is that brand-orientation is seen as a strategic choice *over time*, and that the adoption of a brand strategy is seen as prerequisite of brand orientation. This study adds to the discussion, of how and why a manager decides to adopt or not to adopt a brand strategy. I have identified several factors that either enhance or impede the adoption and hence, the *extent* of brand orientation.

Secondly, a *context perspective* is approached. Hence, the present study contributes further to the branding theories in differentiating the impact of the new, dynamic marketing phenomena on brand building. It would be valuable to study the adoption process in the same or other contexts, revealing other aspects, that would either confirm these results or challenge them. For example, the different stages and relationships in the adoption process could be examined empirically, and the justifications of the selection of the sources could be provided in the study. The content of such studies provides some sort of preliminary understanding of the compelling and logical justifications found in the current literature for why we should expect certain relationships in our data if the models are tested empirically.

Thirdly, the findings in this study provide a new understanding of a *brand management process, with a special emphasis of the early stage, the adoption of a brand strategy*. The present study benefitted from Rogers's (2003) Innovation-Diffusion Model in identifying links between high tech marketing challenges and the adoption of branding strategies. It is a

contribution to the understanding of a brand strategy adoption process, the foundation of the brand management process. As outlined in the literature review, the manager plays a strategic role in brand management. The field would benefit from a phenomenological study of high tech managers and how they view and understand their key intangible (marketing) asset, their brand. In other words, such study might reveal whether the adoption of a brand strategy is related to a specific characteristics of managers. Such research could also provide insights to what high tech managers actually do. Such an approach might take the form of multiple case studies or in-depth interviews. The studies could focus on research questions asking what, how and why. For example: How to measure the potential connections between a manager's prior conditions and the decision to adopt a brand strategy?

Furthermore, it would be important to study branding from several other viewpoints in addition to the focus of the present study. For example, the latter stages of the adoption process, implementation and confirmation, should be further examined. In addition, future research could also empirically examine managerial and organisational capabilities in order to for example, measure the effectiveness of branding decisions. Assessing capabilities relates to measuring whether or not brand-focused or market-oriented companies are able to achieve a relative advantage, such as a sustainable competitive advantage over their competitors by means of strategic brand management.

Managerial and empirical contributions

The implications of this study concern executive and marketing managers in high tech companies, public organisations and communities and academic and industrial experts. The findings suggest several courses of action to be taken by public organisations and communities in order to allocate resources to high tech SME companies for finding means to compete and succeeds. Although the respondents brought up the need for money, it was

apparent that they also lacked of knowledge. This study suggests that academic and industrial experts could take a more active role in training and providing both; online and written learning material for non-marketers. Their role is significant since they can facilitate networks and services. In active co-operation, SME managers may obtain market orientation and thus, create a competitive advantage which enhances their companies' success. Moreover, it seems that there is a need for financial support before an innovation is ready for the market. Currently, the strategic importance of the early marketing decisions is not highlighted in high tech marketing literature. However, this study suggests that it is important to find the seeds of innovations at a very early stage since high tech managers often need guidelines and research information to support their decisions. When highlighting the branding viewpoint, it is possible for the companies to achieve a sustainable competitive advantage. Regions may also stimulate their growth and compatibility by promoting branding clusters. Branding clusters may prove to be an opportunity to a sustainable growth for local areas or even nations. In branding clusters it would be easier for companies to find support, and managers would learn from and trigger each other in developing branding strategies.

Combining the findings of the present study with competitiveness studies could offer new insights to future research. It would be interesting to empirically examine the need of entrepreneurial support for marketing and branding activities and the impact of such support. It is important to provide new insights, highlight and identify gaps in our understanding of why the system in some countries like Finland fails to generate high-growth start-ups although the investment in R&D per capita ranks among the highest in the world.

A brand strategy adoption model can assist high tech SME managers in combining the findings in different ways. New combinations may create or reveal new revenue or business opportunities in the form of licencing, brand extensions, co-branding or ingredient branding.

The findings of the present study encourage high tech SME managers to acquire more knowledge on branding in order to fully exploit brand management. It is also encouraged to develop the skills and abilities of all staff members and consider marketing as a long-term investment in knowledge resources.

Limitations

First, a limitation of the present study is that the adoption model is constructed only from an SME firms' perspective. In addition, it draws on a qualitative approach to studying brand strategy adoption in the high tech context and thus, the conclusions are reached without complete evidence.

Secondly, the brand strategy adoption model is neither based on; nor assumes any particular need for a brand strategy in the high tech SME context. Although branding is an established phenomenon in large companies and in many industries, the results of the present study do not verify that this is the case in other contexts.

Thirdly, the description of the adoption process is based on SME managers' own perception. There is an opportunity to develop this model to a richer level of description by taking also into account the organizational and other stakeholders' viewpoints.

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