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Bachelor's Thesis

Branding: Identifying the Differences Between Small Companies
and Large Corporations

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<p>This thesis identifies the definition and value of brand and branding in modern world. The research contains an extended analytical review of branding literature, theoretical identification of the differences between small companies and large corporations as well as comparative analysis of practical branding strategies of micro-business and big corporation based on interviews with entrepreneurs and review of their brands materials. All obtained data of the research was analyzed and the resulting output was used in the practice of the brand building process of the establishment of the author's own small business. The main steps to developing the brand and their first results are also contained in this work.</p>	
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1 Introduction

We live in a world that is full of brands. Brands are everywhere. We eat them, drink them, wear them and even phone with them. Many things around us have already become common names like: Coke (cola drinks), Pampers (diapers or nappies), Barbie (toy doll), Sellotape (adhesive-backed tape), Hoover (vacuum cleaner), and so on.

Branding is one of the biggest aims for every business. But the question is: can we create a well-branded company without a correct branding strategy?

-Is there is a difference between big and small company branding?!

-What kind of difference?!

-And how does it affect the branding process?!

These questions will be central to the research undertaken here.

I am a young entrepreneur who has just sold her first company and is now starting a new one in partnership with another. My first business did not have a brand. Of course, it had a name and a style policy, but I did not like it at all. I bought the “ready to use” company and just continued somebody else’s project. I had it almost for 3 years and always was planning to “re-brand” it, but there was never enough time, nor was there sufficient profit to justify the effort. Now, I am starting a business from scratch and I have decided to pay attention to the brand from the beginning.

Recognition of branding’s importance has grown in recent decades, and there is now an extensive literature on the subject, ranging from abstract theory to the most practical applications. This thesis is an extended analytical review of that literature that uses the author’s personal experience of small business entrepreneurship to compare the challenges and opportunities of branding typically possessed by much larger companies, whose greater resources enable enhanced recognition, even to the extent where the brand becomes synonymous with the product, as mentioned above. What sort of lessons can

small businesses learn from their more famous and larger counterparts and competitors? What sort of distinct advantages might small businesses possess?

2 What is a brand and branding?

Branding is what makes a brand, so, to understand what is branding, first of all it is necessary to understand what is brand. There are two basic definitions of a brand:

1. The Oxford American Dictionary (1980) contains the following definition:

Brand (noun): a trade mark, goods of a particular make: a mark of identification made with a hot iron, the iron used for this: a piece of burning or charred wood, (verb): to mark with a hot iron, or to label with a trade mark. (The Oxford American Dictionary , 1980)

2. By contrast, the Pocket Oxford Dictionary of Current English (1934) says:

Brand. 1. n. Piece of burning or smoldering wood, torch, (literary); sword (poet.); iron stamp used red-hot to leave an indelible mark, mark left by it, stigma, trade-mark, particular kind of goods (all of the best bb.). 2. v.t. Stamp (mark, object, skin), with b., impress indelibly (is branded on my memory). (The Pocket Oxford Dictionary of Current English , 1934)

These two definitions, listed in chronological order, illustrate how, over 50 years, the primary usage of the word “brand” now has a commercial application. This word's basic definition derives from the practice of leaving an identifiable mark on an object or even living being, such that a clear message is communicated (be that ownership or status-related).

In the world of business a brand has become increasingly central to strategy. Different sized businesses strive to develop their own, but there is a different strategy and time to start creating it, dependent on firm size. Brands play an important role. Building on the earlier research of Hoeffler and Keller (2003), Keller (2009) lists the benefits of brands as follows:

- improved perceptions of product performance;
- greater customer loyalty;
- less vulnerability to competitive marketing actions and marketing crises;
- larger margins;
- more elastic customer response to price decreases and inelastic customer response to price increases;
- greater trade or intermediary cooperation and support;
- increased marketing communication effectiveness;
- additional licensing and brand extension opportunities (Keller, 2009)

Effective brands are powerful signifiers that strengthen the company's ability to attract and retain customers: "Consumers should be more likely to buy a brand again and recommend it to others and less likely to buy an alternative brand". (Brakus;Schmitt;& Lia Zarantonello, 2009)

The brand as an intangible asset - it generates many tangible consequences and real results for the business. In addition to the bright and memorable logo, good branding increases the value of the company, gives employees the direction and motivation, as well as makes attracting new customers more easy. It was David Aaker who first connected "brand" to "equity" in the 1980s-90s; he was effectively saying that brand is a valuable company asset to be created and meticulously nurtured.

Aaker as one of branding theory's founders, says in his book: "Far more than a name and logo, [a brand] is an organization's promise to a customer to deliver what the brand stands for not only in terms of functional benefits but also emotional, self-expressive, and social benefits" (Aaker 2014: 1).

As said at the beginning of this chapter branding is what makes a brand. Speaking more fully – it is the process of creating and managing a brand, the process of building and developing a brand. The process is so complex that often the creation of a brand, in particular the name and symbols of a product or company, is entrusted to special organizations.

According to David Aaker branding is set of principles that will lead to the creation of strong brand. He even wrote the book with 20 essential principles "Aaker on Branding: 20 Principles That Drive Success". It is the result of many years of Aaker's successful practice - No non-figurative recommendations and advice, only real tactics, schemes, concepts and techniques, that is why this book became a kind of branding doctrine, which is still relevant.

Generally speaking about what Aaker writes about, branding is associated with capital investments that are aimed at the formation and development of the company's assets. Each of the brand equity assets can create value in different ways. To achieve success, it is important to be mindful of the ways which strong brands use to create value.

Ultimately, all points above work to increase company profits. A brand has different benefits for every company, and these can be measured according to various indicators, such as: number of customers, growth of the company's popularity and recognition, competitors' emulations, and so on. But still the ultimate test of brand value is the company's profit.

3 Does size matter?

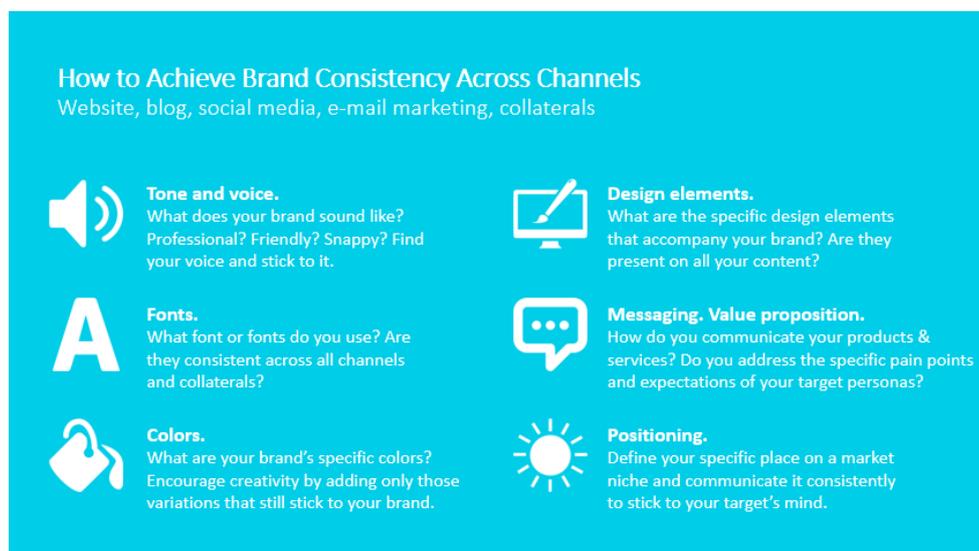
Now, understanding what branding is about, let's take a short look at the strategies of companies, their similarities and differences and ways to figure it out. During my research I will delve into this question more: I will read histories of different sizes companies (How they were begun, what changed during the years, how brands have grown or have not, etc.), will talk with entrepreneurs and even a corporate founder. After, I will analyze all information received and will understand is my current vision still the same, or I can add something or maybe before the research vision and after are absolutely different.

3.1 Big companies strategy

Famous corporations such as Coca-Cola, Apple, Mercedes, have big marketing departments, and their own unique strategies, but it can be argued that there are 5 major rules to build a brand, as very clearly presented by Aaron Aigus in “5 Big Company Branding Strategies Any Business Can Utilize” (Aigus, 2015)

I like those well-combined points and would use it as a base of big companies’ strategy in my research.

3.1.1. Developing all-encompassing brand standards.



Start by learning how to develop a

Picture 1 “Brand Consistency”

comprehensive brand standard and learn what kind of mistakes many companies encounter when going through this process. Nowadays, comprehensive brand standard is called a brand book. It is a totality of information which helps to see a comprehensive image of the brand and what does it mean. Quite often, a brand book is presented as a book in which there are beautiful pictures: logo, trademark, corporate identity, font, color scheme, logo sizes on different media. However, this is not definitively the brand. A brand book is a tool that helps a company build its relationship with advertising companies, partners and the target audience. This is the basis on which all the company's positioning in the market is based.

It is really important because there are really a lot of mistakes, examples and difficulties which can be without comprehensive brand standard such as:

- when designers are developing new advertising signs or booklets, they can do something focused on a different target audience, of course I mean the situation when they are not part of the permanent staff of the company;
- The color scheme can change its hue or color, as a result, advertisement can suddenly become very similar competitors one.

If talks about small companies strategy that is not as important as if talks about big companies, but still it can adversely affect the outcome. But now talking on big companies' strategy and in that case any of those mistakes can cost too much.

3.1.2. Dedicating a responsible person to guiding and enforcing brand standards.

Do not let anything your company produces interfere with the standards you have set for yourself. Doing so will only create confusion and diminish the effectiveness of companies' efforts. Keep on philosophy your company provides. If your brand is about waste recycling and safe the Earth you cannot use some sorts of plastic in the production and marketing. Most of all, responsible person should has a tastefulness and understanding of design. This person can have few advisers for better understanding of suggested ideas by designers or any other creators, but his main role is to make sure that all ideas are enforcing the standards which were marked for this company.

3.1.3. Embrace storytelling.

Sharing of the story of how the company came to be. Posting of case studies that show how the company impacted the stories of its own customers. Sharing of the things that make company unique.

A strong brand history is another powerful competitive advantage. When the buyer has to decide which product to choose, he/she will give preference to a brand that he already knows something about. If a person is convinced by the history of the company, this adds points in favor of the

product. The winner gets the money of customers, big sales and solid profits. History can inspire confidence. That is why global brands are increasingly using this straightforward tool to attract even more customers to their product.

There are a lot of theories why people love storytelling and most of them tell that it helps to feel emotions, to make an emotional connect between the narrator (it is not necessarily an animate object) and the listener. All of those theories show that people's brain likes stories. There is an interesting study made by Science magazine "Reading Literary Fiction Improves Theory of Mind" which shows how it works by determining that literary fiction "uniquely engages the psychological processes needed to gain access to characters' subjective experiences." (Castano & Kidd, 2013)

A cool story helps people connect with the brand. When you have something to tell, you will definitely find a grateful listener.

3.1.4. Take advantage of big data.

Once a month (or more or less frequently, depending on the length of the sales cycle) time should be spent running reports, analyzing and finding the ways to improvement on the basis of these. To my thinking, this point again can be used more related to companies with a large monthly turnover, because they have enough resources for that. In small companies usually there is no a designated person or expensive software for that work and most of all, the result will be not as weighty as in larger corporations.

Already then in the 1980s, Eric Larson said "The keepers of big data say they do it for the consumer's benefit. But data have a way of being used for purposes other than originally intended." (Larson, 1989) From this work, Larson instituted the definition of "big data" which took a firm stand in branding, marketing and in business on the whole during last 30 years. According to Google Trends, the beginning of the active growth of the use of the combination of words "big data" begins in 2011. Nowadays, big data became already a mainstream term which only develops day by day creating new controlling and simplification technologies and software. All this is directed to achieve the main goal of the big data – understanding customers' needs. Namely, big data allows

marketing specialists to get to know their customers and attract a new target audience, evaluate customer satisfaction, apply new ways to increase customer loyalty and implement projects that will be in demand. Why it is important to control it as frequently as possible? Because there is no kind of forecast which anyone can predict accurately for the long-term. Even machines cannot be 100% sure that something will happen exactly as intended. It is impossible to create an absolutely accurate forecast for at least one reason - the human factor. Of course, there are a lot other different reasons such as for example natural disasters. But in case of big data the human factor is the main variable, because the probability that a change now observed in human behavior or evaluations will be repeated in the future is not so high. A person learns faster than a predictive model can be built. At any moment, a new factor of influence in the views of a person, in society, in the market segment, in the response of brands to the activities of competitors, which will break all your hypotheses, may appear. It is the law of unpredictability, about which Al Ries and Jack Trout said in their book "The 22 Immutable Laws of Marketing" next words: "Unless you write your competitor's plans, you can't predict the future. With hundreds of computers and an army of meteorologists, no one can predict the weather three days in advance, so how do you expect to predict your market three years in advance?" (Trout & Ries, 1993)

One of the key issues that each strong brand has to take into consideration in our rapidly changing environment is the ability to analyze the competitors. In a deeper analysis of products' brands, it is seen that all key players are already using mobile apps in order to make the purchases easier for the customers. In a world of digitalization if you want to stay competitive, then your brand has to be presented online. However, there is a strong competition in app markets as well.

If a corporate wants to stay ahead, then it should know how to get the relevant data and make the strategy of how to get new users, which creatives use for promotion in order to make brand app popular and as the result- raise the brand awareness and make profit. The brand with a strong marketing department

should provide managers with the analytics tools that would give them access to firsthand competitive insights and market analytics.

The most well-known app market analytics tools are App Annie, Sensor Tower and Apptica. The using of such tools would help the brand to track market trends and ad intelligence data.

An example was made checking Apptica's features. An advanced system provides data on 5.5 million applications in App Store and Google Play including all categories. The marketing manager could apply needed category within the store and get the relevant data. Managers could get the all-round view at the marketplace with Apptica analytic and explore the newest market trends, get competitive insights, and optimize their mobile business.

The key point is that business owner will be able to see who advertise out of the competitors and who spending money on user acquisition campaigns is. This data will help to save company's marketing budget.

Ad Intelligence / User Acquisition strategies (both platforms, 34+ countries, 22+ networks)

- Ability to see through which networks advertisers run their UA campaigns
- See campaigns timeline to understand throughout time increase or decrease of geos, networks & study seasonal changes
- See all of the creative formats (You could check the videos, images etc.) that your competitors use
- Understand traffic source categories & apps in different geos

Store Intelligence (both platforms, 34+ countries, 22+ networks)

- Top charts, top free, paid, grossing (You could see who is on the top in Beauty category within the Stores)
- App profiles, localization in different geos (You could check how your competitors' app profiles look in different countries. Sometimes cosmetic brands

apply absolutely different approaches for different cultures and present their brands adapted to a specific region)

- Statistics on downloads & revenue & target countries
- Gender distribution of app users
- Top Apps (by downloads & revenue)
- Trending Apps (major changes in Top Charts)
- New Apps (New Apps in Top Charts & Recently released)
- In-app Purchases Lists (You could track the additional options that your competitors could offer to potential customers and based on that data, you could manage your own strategy)

3.1.5. Get involved in the community.

As a corporation, you should be able to find ways to encourage customers to share their brand experience. It is a powerful approach to community-building that serves the dual purpose of building brand exposure and awareness as well.

This point seems reasonable. There are a lot of advantages to be gained from community involvement. People usually trust each other more than brands. Thus, influencer marketing is a great tool to increase consumer confidence in the brand. In my mind, this concept intersects with the PR concept, because both of them are strong tools that manage the brand reputation and public opinion of it, promoting the brand and strengthening its market position. Many people mistakenly think that PR is about advertising, but this is not entirely true. Advertising is just one of the areas of a quality PR-Company, other are include the following:

- Media Relations
- Special events
- Interactive interaction and feedback
- Community building
- Investor Relations
- Internal corporate communications

Another necessary instrument for public relations, which is really necessary for a strong brand, is sponsorship and charity. It is believed that today has come the era of great values or post-material values, in which consumers want to associate themselves not only with a quality product, but also with a noble one.

Besides the PR concept, community involvement is also about effective collaborations with other successful brands which could be an effective way to enter to new markets and increase brand awareness. In fashion industry collaborations are became a trend years ago and it works really great. For example, before collaborations with high fashion companies, H&M was in low cost segment, but after their cooperation with Karl Lagerfeld in 2004 they became interesting to people with higher income. Now, H&M make the collaboration with fashion designers every year and those collections are always loud and successful. Besides in the fashion industry there are also a lot of interesting and vivid examples such as the partnership between Uber and Spotify. These 2 brands have collaborated to create an exclusive adventure for their customers. Or Apple & MasterCard - If there was not this union, then we would still have gone with wallets full of credit cards, because this collaboration gave rise to ApplePay, which changed the entire tech industry. Collaborations can be really powerful in practice that is why they deserve particular attention.

All of those 5 points of big companies branding strategy are based on staying closer to people = customers, close enough to engender an interest and trust in people.

To go deeply for understanding inside strategy, I did **research 1** based on one of the biggest Russian cosmetic producer brand "Mixit". Company was founded just 6 years ago and their turnover was 2 billion RUB (about 30 million EUR) already in 2018, now the brand is well known, even those who do not use their cosmetics, knows their logo and name.

The start-up investment was 1,5 million EUR, 1 million of which was received from the Moscow fund of private investors. More than 20% of the start-

up capital was invested in branding and now founders say that it was their best decision. That was not first start-up of the founders, but this one is the most successful, because they took into account the mistakes of the past and staked on brand development from the beginning. *“If this was my first business, MIXIT would not have worked. We would have made many mistakes because it is impossible to know everything, it is impossible to be lucky all the time and to choose the right one from the three directions of development all the time. In this rapidly developing industry, it is very important not to make mistakes, not to go astray, so as not to waste time and not to miss out on leadership.”* – said Oleg Pai, cofounder of Mixit. His theory says that if you are planning to play big from the beginning, you have just 1 chance to make the first impression: *“The secret of our brand's success lies not only in the fact that we have managed to attract a flow of customers, but also we are able to serve this flow of customers with high quality and from the first time - this is very important! I often see that some brands are active, get success and immediately ruin it themselves because they are not ready to fulfill the promises they make through their marketing messages. People expect a very high-quality approach, and they have neither the resources nor the infrastructure to serve it well. Buyers' template breaks down, and this is where the story ends, because second time they no longer believe. In this we already have experience and we are not chasing revenues, but chasing processes.*

In social networks, it works like this: a successful activity came out, "the stars coincided" and immediately a jump - instead of 1000 orders you get 5000. Not every business is able to withstand such jumps. Given that we grew up on this, we only live on these races. This is also an important component of success - in addition to the fact that we are able to find what people need, we can really give them what they need!” Those words can be easily confirmed if take a look at Instagrams and You-tube of Russian popular bloggers (and just famous people, who have social networks). Almost everyone, who has around 1 million followers had at least 1 advertisement post of Mixit brand. It was time in 2017-2019 when the brand ad was everywhere and every girl wanted to try cosmetics

which all celebrities are using (Appendix 1 "Mixit brand ads in Instagram and Youtube")

So when Mixit started to open offline stores and sell their franchise, it always was a queue in the stores. Of course, now people are not so crazy about Mixit anymore, but due to relatively low price, fashionable design and not bad quality, this cosmetic found own target audience, who are buying their product again and again.

Another smart strategy of Mixit was emphasis on natural, vegan ingredients of their cosmetics. They started their production at the time of the rapid development of fashion for natural cosmetics, eco, vegan components and rebellion against chemicals and preservatives. Founders of the company noticed that in Russia practically no one worked in the segment of "green" skin care cosmetics, which would be produced individually for the client. But one after another, retail stores such as Natura Siberica, L'Occitane, Yves Rocher, etc. were opened. They decided that the "novelty effect" would help them stand out from other brands, and they founded the brand of organic customized cosmetics Mixit. At the beginning, in the online store, the client could chose not only the type of cosmetic product, but also the ingredients from which it will be prepared, based on the type of skin, hair, preferences in fragrances. Then the order went to production. There, laboratory assistants added components selected by the client to the prepared cosmetic bases and mixed. Hence the name Mixit - "mix it up". The finished product was poured into vials, each of which was signed with the name of the customer. The shelf life of such products was no more than a month in the refrigerator, so they could deliver it just to closest to Moscow regions.

After first year, they had so many customers, so it was not more possible to produce individual cosmetic for everyone. They had choice to continue producing custom eco cosmetic and to become a niche brand or to increase production scale and delivery geography, but start to produce non-eco cosmetic. Most of all, founders of the company decided to open retail stores, at the beginning in Moscow, but then all over Russia so they had to increase shelf life of their products.

Now, Mixit is vegan, paraben /silicone/ SLS free cosmetic, but not eco. They are using permitted preservatives and emulsifiers in the production, to get long shelf life of the cosmetics. In spite of this, the bulk of consumers still think that Mixit is “green” cosmetic, just because initially the brand positioned itself this way.

Based on Mixit brand research, it can be seen that Aigus theory of big companies brand strategy works. Even if founders of the company built their brand not on that theory, still it is possible to see the similarity of their actions, which helped to achieve success and 5 rules of Aaron Aigus:

- Mixit brand consistency is just perfect and already 5 years brand is always mod, trendy and creative. Their logo and name are well-known, their web-page and social nets are attractive and inspiring.

- The idea and message of the brand are clear for everyone. Company is abiding its own standards and cases are known when Mixit tore up contracts with celebrities who violated company standards by their actions or statements.

- Founders are usually sharing the brand origin story and their own growth histories in brand’s social nets. Most of all, there are quite often posts in Mixit Instagram on behalf of Elena Nazarova (co-founder of the company), who is introducing novelties and showing how she is using Mixit cosmetic herself in everyday life (Appendix 2 “Personal pictures and posts of Mixit owner Elena”).

Answering the question why she still maintains a multimillion-followers page herself, Elena says: *«Your "face" will be a really working marketing tool now. It's easier for customers to trust someone they know. What is the owner's name, what does she look like, what does she do, what does she like? People are attracted by people, they are interested in who they buy a product or service from, and buying from a "friend" itself is endowed with completely different qualities. Growing to a certain level, the business runs into an invisible ceiling. And often, neither financial investments, nor a reshuffle in the state help to move forward. The reason for the inhibition is the leader's refusal to leave the "comfort zone" and expand his own boundaries. Therefore, the new branding trend is the strong personal branding of the corporate leader.*

In general, despite the pitfalls and possible negative consequences, the benefits of a strong personal brand for promoting a company are obvious. And

remember, a brand is never complete - it is a living system that requires ongoing support”.

- Company always controls statistics, the global situation, analyzes it and builds or changes a strategy based on it. For example, there was moment when they change advertising channels from social networks to TV, because few big TV projects with similar target audience were launched. Most of all, now during the worldwide collapse because of Corona virus, company does not feel uncertainty about tomorrow *“If we talk about business, then it did not suffer fatally. It demanded from us certain actions that we carried out, and everything is in order. We optimized costs and did a lot of work before the crisis in order to process 2 times more online order flow. I cannot say that something has changed a lot. The task was to survive this period of self-isolation, a period of decline in sales. We were ready for it and survived it. Everything is going according to plan now.”* – said Oleg Pai. Due to the coronavirus pandemic, MIXIT has reoriented all production facilities for the production of antiseptics. The company donated part of the antiseptics released to charitable foundations, with which it implements various projects.

- As was mentioned in previous point, company cooperates with different charitable foundations. They have product line with a special sign, Part of the funds raised from the sale of those products is sent to the Foundation to help children with brain tumors. Employees of the company on behalf of Mixit regularly collect and send parcels to nursing homes and support the organization of homeless animals. Also, they organize offline and online events, workshops, giveaways which are available for everybody and have own charity project, where they give a complete external transformation to needy woman (incl. visiting dentist, cosmetologist, hair stylist, makeup artist, new wardrobe by fashion stylist, different gifts).As well as pay particular attention on customer needs *“We have a product vision of the client's needs (as the main part of marketing). When we understand what the audience needs and what audience to work for - not for the entire audience, but choose the one that is not satisfied with certain needs and satisfy them.”* – said Oleg Pai answering the question “How company involved in the community”. Mixit always control service quality

and customer satisfaction. If customer is not satisfied for some reason, they are ready to return money for goods.

Having reviewed and analysed available digital materials of the Mixit brand, the next conclusion can be made: The brand is very loud now, there a lot of materials provided by brand itself, celebrities who advertise it or by haters who are making some sort of exposures that cosmetic is not as good as it seems. Brand's Instagram has 3.8 millions of followers and this number is always growing. Based on own assumption, can connect such a huge interest with useful content which includes not just information about products, but also different advices, life hacks, vivid pictures, which can inspire consumers. In most instances, the majority of articles about the brand in blogs or magazines are in positive way. Knowing the marketing concept of the brand it is impossible to be absolutely certain that those opinions are authentic and brand did not pay for that, but it is not really essential if customers are trust to the information generator.

The confirmation of Aigus's theory was found based on the research of the "Mixit" brand and also few more effective strategy points were identified:

- Grip the most popular information channel (For example, Mixit used Instagram). If there is too much information and advertisement of the brand, it is impossible to ignore it at all. It helps to make brand recognizable. Withal, if the information flow comes from trustworthy person, such as celebrity, consumers not only begin to recognize brand, but also begin to trust to brand.
- If planning to sell big, play big from the beginning. If business idea is worthwhile and business plan is clear and realistic, there is a great potential for attracting third-party investors.
- Just understand customer's needs is not enough. It is also important to be able to satisfy them: to have enough resources and capabilities.
- Pay attention on social trends. If there is possibility to present company's product as "green"/eco-friendly/tolerant/vegan/etc. right now it is big plus

to brand's reputation. In five years, maybe, products which were produced at 5G territory or services provided by nonbinary company representatives will be significant. It is important to "feel the wave" of global mindset

3.2 Small companies' strategy

Does the owner of a small company need to create a brand? Yes, even if company has 15 employees (or even less) or person is only a freelancer who is just looking for opportunities to attract good and stable customers.

There is theoretical vision why it is important:

- Despite the fact that branding is mainly used for large consumer sectors, it is perfect for small segments. Own brand building strategy will allow entrepreneur to attract the attention of the potential client and he will need to present them own value and the valuable offer. Entrepreneur will already feel that much more needs to be done than just sending some frail emails. Creating a brand for small business allows it to form an attitude towards the business and build relationships between company and customer.

- Branding anticipates the questions of your potential customers and answers to them, also builds trust. What distinguishes one company from another service/product provider? What makes it remarkable and worthy to get customer's money? Why should someone give to this particular company a chance to prove itself? All those questions and doubts can be eliminated (mitigated) if the business has a branding component. The brand acts as a North Star - a guide, allowing entrepreneur to offer own services confidently, instead of stumbling and confusing in words when a potential customer comes with questions.

If branding of big companies has already developed in some way and has found its own directions and solutions, then branding of small businesses is still a developing and open direction to everything new. Large companies usually have many executives with their own ideas and expectations, they have many

rules and limitations. Small business is more flexible, it is open to everything new and can implement projects much faster.

Of course, not every entrepreneur has the talent to create their own successful brand from scratch. It is more typical that they would make the mistake of running the business with a vague commitment to making a brand one day.

Basically, for small enterprises the required skills to build a brand are quite different from those required for big companies.

Some of these are listed as follows:

Brand identity

First of all, entrepreneur has to determine who is he and how he wants to become a brand. The easiest way to make it is to answer following questions:

- How the company can be described in three words, what words would they be?

The brand platform defines the uniqueness and essence of the brand. Usually these are three or four nouns or adjectives that most clearly reflect the essence of the company or brand. Typically, half of them relates to the rational side (availability, efficiency), the other to the emotional (openness, optimistic). This moment is really important, because based on it, marketing communication will be built: naming, corporate identity, communication platform, advertising message, interior design, etc.

Other important questions, which have to be answered at the beginning:

- How to stand out from the competition?
- What are the main goals and values of the company?
- What the business could change in the industry?

The better entrepreneur understands the essence of his business, more individuality could be brought to the branding and more the company will stand out and as a result attract the attention of customers.

Next goal is to understand who company's consumers are and what they need. By defining a set of basic needs, it is possible to create a new one (or to actualize).

It is good practice to identify ideal customers. Who are they? How old are they? What is their income and education? Is it mostly men or women? Having determined the target market, company can use this knowledge to manage own branding strategy and as the final result will be a brand that attracts those customers with whom company wants to work most.

What do consumers want from the company? What do they want when addressing same companies? What is important to them? When will they use company's product or service - and why do they need it? Any product (or service), unfortunately, is able to satisfy only part of the needs of the consumer. It is necessary to understand what they might want from a product or service of the specific company and to try to achieve the level at which customers will get what they want.

Brand visual

For small companies brand book is also needed, but it is simpler than big companies need. It is important to clarify the basic details of the design strategy, such as brand color palette, fonts, etc. Then the main minimum need to be made are:

- Logo. A logo is the face of the company. This is the first thing that most customers will see when they get to know the company and this is the visual tool that will be most closely associated with the business. Logo should be developed first as it will serve as a starting point for all other visual elements (such as landing and business cards).
- Business Cards. Business can not operate without business cards. Their design should match the logo and your design rules. Nowadays, it can be printed or digital format of the business information file.

- Landing page. Website is company's digital property. Its appearance should match the rest of whole branding strategy. At the beginning, it is possible to use Facebook or Instagram for the landing, but it is better to have all those pages separately for convenience of different consumers groups.

Be an expert in the industry

Customers can always find information on the internet, but still they have a lot of questions regardless of the company's product or service. If representatives of the company can answer all these questions, they will facilitate greater trust in the company.

Nowadays, business can show that they are experts through social nets. An expert content is a simple and affordable way to express itself. It gives an opportunity to demonstrate experience in the field and establish company as an expert. The consumers will start to trust to the specific company if they can observe activity of this company at social nets and when it becomes necessary for the specific service or product, this company will be the first to whom they turn. Even if entrepreneur has a limited budget, he can make content work for himself. It is important to create the right content. Do the research and find out what questions customers most often ask and then create content that answers these questions.

Expert content may interest:

- customers who need goods or services right now;
- an audience that does not plan to make a purchase right now, but in the future can become a customer;
- colleagues from related fields;
- direct competitors.

Commenting on materials, arguing with the author, recommending him can have a positive impact on the brand's reputation.

Interaction with partners

Finding business with similar, but non-competitive audiences. The motivation for using a co-branding strategy is often associated with the ability to provide a specific signal to the consumer through an affiliate brand. Instead of expanding their own brand or creating a new product, companies use co-branding with a well-known brand, which is characterized by what causes positive feelings and emotions in consumers. Confidence in one brand is automatically transmitted to the second brand. In this case, co-branding contributes to a comprehensive evaluation of a new product, which consists of combinations of functions or advantages of each brand, combined in a common product. In those cases when the functions or benefits cannot be reliably conveyed to the consumer by one of the brands, co-branding positioning still leads to an improvement in the evaluation of the product compared to using the brand alone.

Most of all, Co-branding can be used as a method that will greatly facilitate communication regarding the offer of a product or service. Using a second brand that evokes certain images and associations, conveying information about important features and benefits will be easier. Thus, promotion of an advertising proposal or brand recognition takes place in a more simplified and often less costly form than an independent PR campaign. Adding a second brand increases the strength of the offer signal. This not only potentially attracts the attention of consumers, but is also used to effectively exchange information on important functions and advantages, which facilitates the process of introducing a new product to the market. In most cases, such co-branding projects are conducted by a superior and subordinate brand, and not between two equal partners.

Be a superhero for the customers

“The point is, the better you can make your customer experience, the more you’ll be known as a company that cares about its customers—and the more customers you’ll get as a result.” (deBara, 2019)

The company's focus on long-term relationships with consumers is one of the basic tenets of the concept of marketing customer relations. The business is focused on maximizing the number of repeated customer appeals to the company. Their return for goods and services is stimulated again and again by the first three elements and the formation of loyalty. Customer focus is not expensive. Being a customer-oriented enterprise is cheaper than to do marketing communications through a huge stream of information noise which surrounding modern consumers.

In contradistinction to companies focused only on their own needs (in which improvements and other changes are made on the basis of decisions made at the top management level), client-oriented companies make changes based on the real needs of customers. Since these needs change over time, the company itself will be forced to constantly change, adapt to changing conditions.

All of the above thoughts are theoretical, to understand how small company branding works in practice I did **research 2**. I had an interview with an entrepreneur, who was working as a freelance brand manager for different restaurants and then started own café in Helsinki downtown calls "Pause Café 21". In one year she recouped the initial capital and had an opportunity to hire 2 employees. Most of all, her business was not affect by corona crisis and she is planning also to open a bar.

"I was sure one day I will have own restaurant (or café for the beginning), because I was studying Restaurant Entrepreneurship at Laurea UAS and own business in food industry was always attractive for me. Already during my studying I started to work as SMM manager for one Italian restaurant and it helped to me to develop my skills and to master some new tools of restaurant business. The most complicated thing to start own business was finding of suitable premises and when it was found, I started to create the brand immediately. So, while reconstruction of the promises was in progress, I already created logo, slogan, Facebook and Instagram pages to generate anticipation of future customers." – said founder of Pause Café 21 Veronika. During our conversation she confirmed that all theoretical points which were mentioned

above are working and she is always using them. *“Restaurant business is a service industry that directs to the customer’s satisfaction. The cult of food and satisfaction by visiting places that provide quailed food is constantly growing. Where is a big interest, there is a high level of competition. It is important to be recognizable and attractive to not get lost among plenty of restaurants and cafes. I do not mean loud design or extremely exclusive range, if we talk about small business. I am talking about attraction of target market. I have a small café in downtown and know that those kinds of places are Instagrammable (most popular places for making pictures for Instagram – Ed.). So, I did renovation in cozy style and started to develop, implement and manage my brand’s social nets, especially Instagram. After some time, it helped to interest few bloggers and Pause Café was mentioned in their blogs. The name and slogan also played an important role – Pause “The world can wait”. Pause is what most of us need in the endless race of life, that is why this name well received by the public”.*

Of course, for the food industry it is important to produce good quality food. Most of all, in modern life it is important to have different options, because there are too many preferences of restrictions (such as vegetarianism or different diets as gluten/dairy-free). Otherwise, number of potential customer is decreasing significantly.

In any industries there are own features and entrepreneur has to know it in order to establish a strong brand. To simplify the branding process, it is very popular now to cooperate with a third part companies or freelancers, who are specialized at branding. Not every entrepreneur has such a great branding and social media marketing background as owner of the Pause Café 21 and it is reasonable for those people to get some outside help on this. As a brand freelancer in the past, Veronika told that this kind of cooperation also has really acceptable costs in terms of money for both parties. Cooperation can be of an ad hoc nature for example, just brand development during the business establishment process or be permanent including maintenance of social nets and web page. The nature of cooperation is determined by needs, desires and capabilities of the entrepreneur.

Having reviewed and analysed available digital materials of the Pause Café 21 the big difference between corporation and small business concept is seen. The Instagram of Pause Café seems more cozy and simpler (in a good meaning), the page is also inspiring, but there is feeling of nearness to the consumers (Appendix 3 "Pause Cafe 21 Instagram page"). There are not a lot of available materials about the company, but still there are at least few articles where Pause Café was mentioned. It is clear that these are not advertising texts, but sincere recommendations of journalists. (Appendix 4 "Mentions of Pause Cafe 21 in web articles"). Nowadays, it is great luck to get the attention of bloggers or journalists for the small business because the word of mouth is the one of the most valuable ways of marketing and moreover is the cheapest one.

Based on theoretical points at the beginning of this chapter some similarity with big companies branding were seen. For example, to focus on customers' needs, development of recognizable brand identity and visual. But still there are so many differences between different size organizations.

The research 2, namely, communication with a highly qualified specialist in the field of small companies branding and marketing material analysis shows that small businesses branding is gaining momentum and seeing the success of brands performance of giant corporations, entrepreneurs are trying to keep up with them by building of new brands. The increased demand for branding in the small business segment in recent years is explained by the general digitalization and the search for potential audience on the Internet. When all the tools of performance marketing are used, small and medium-sized businesses organically move to new ones - emotional differentiation through branding. It is logical that if demand increases.

Research 2 confirmed correctness of the theoretical points and identified next recommendations for small companies branding strategy:

- If needed some time for preparations before the official start of the company, it does not mean that it is impossible to promote the business before that. It is better already to begin the branding campaign in advance, it helps to drum up some interest of future customers.

- Entrepreneur does not need to be a superhero and be able to do everything. On the contrary, it is important to be able to delegate the responsibilities. If there is no possibility to hire an employee, there are a lot of offers of different services from third parties such as companies or freelancers nowadays. As a rule, small and medium-sized businesses do not reach large branding agencies. They partner with more democratic digital studios. On the one hand, it is mutually beneficial for both sides. On another hand, this tendency gives fertile ground for the big number of inexpensive and insufficiently competent specialist. This leads to the blurring of professional standards, the lowering of the value of competent brand expertise leads to the loss of consistency in the market. Hence the next point
- Do not skimp on the development of the initial brand of the company. Of course, it is not about 30 millions EUR, but it must be a significant amount in the start-up capital. Initial branding cost less than rebranding anyway.
- It is important to know all the ins and outs of the industry and the field of the business to build strong branding strategy.
- Be close to the consumers, it engenders their trust.

4 When the brand starts?

To build a house, you have to make a good foundation. So, first of all, any entrepreneur must make preparations to start their business on as firm a footing as possible. Without the strong background, any brand is false.

Business idea. What company can give to consumers; what are competitive advantages; what makes the company unique.

Business philosophy. Company philosophy is like a light at the end of a tunnel, like a trigger that makes you move. It's very important, because it helps to explain to others what the business is about and what differentiates it from others, including its direct competitors.

Picture 3



Picture 5



Picture 4

The concept of the brand is accessibility. The convenient location was chosen, so the car service is located in the middle of everywhere (within the Helsinki region) next to exit from the highway Kehä 1. But location is not the only thing that makes AB Motors accessible. More important that company masters have a high level of competence, efficiency, a sincere wishes to meet every client half-way and find mutually beneficial solutions. It includes flexible working hours by prior arrangement, flexible payment solutions and accessible explanation of the work performed during the entire process. According to statistics at the end of 2019, the Finnish vehicle register contained 5,124,608 in traffic use, 2,745,074 of which are passenger's cars. The average age of registered passenger cars in Mainland Finland was 15.2 years and that of cars in traffic use was 12.2 years. Basic analysis of the statistics shows that every second family in Finland has own car and largely it is not new car which has service warrantee, so all of them need diagnostics and repairs. Based on own experience, 90% of consumer does not know vehicle's inner world and how to recognize symptoms of defects. Specialist of AB Motors are trying not just to resolve the problem, but also to demonstrate causal link, to explain their actions to eliminate the defect and to give recommendations for further use of the car.



abmotors_finland Moottoriremontti BUN V6 3.0 TDI
218hp, 500Nm.

Picture 6



abmotors_finland AUDI A5, jakoketjuserja vaihto

ABmotors

Picture 7

Most of all, again based on personal experience, it is known that for most of consumers the repair of some car's problem is usually relegated to the back burner, because it is never enough time for that. That is why there are quite often happens that vehicle drives to the car repair shop by tow truck, because it have not received due attention in time. Considering this, particular attention was paid to make the repair process as much comfortable for consumers as possible. The convenient waiting area was designed and built. Customers can rest here with a cup of coffee or hot chocolate and biscuits or to connect to the free wi-fi and work with the own laptop.



Picture 9



Picture 8

It is also possible to visit AB Motors with kids. There are some toys and activities for kids in the safety area to make them busy during the waiting.



Picture 10

In case of need for service or maintenance that takes a long time (from few hours to few weeks), AB Motors offers to their customers a loaner car for the whole time of works. This option is free of charge for every customer subject to availability of a loaner car or in case of advance booking.

AB Motors brand is still under development, but already there are a lot of positive feedbacks and regular customers who back again and again or recommend company to their entourage. After 6 months since the foundation of the company, there is need of the expansion and extra employees hiring. That necessity is preceded by the growth of the brand recognizability what is lead to constant growth of the customers' number.

5 Conclusion

Conducted in-depth research of small companies and large corporations, differences and similarities were identified. There are definitely a lot of differences between brand new businesses and brand monsters.

→ Customers can easily contact small companies and tell about their needs or problems.

→ Small companies can offer niche / custom products.

→ Small companies can easily use customers' feedback for improvement.

→ Small companies usually offer more unique product and that attract customers.

→ Big companies are faster in trends and production.

→ Big companies can attract people with "louder" marketing.

→ Big companies can make more offers to consumers.

→ Big companies are more progressive in digital technologies.

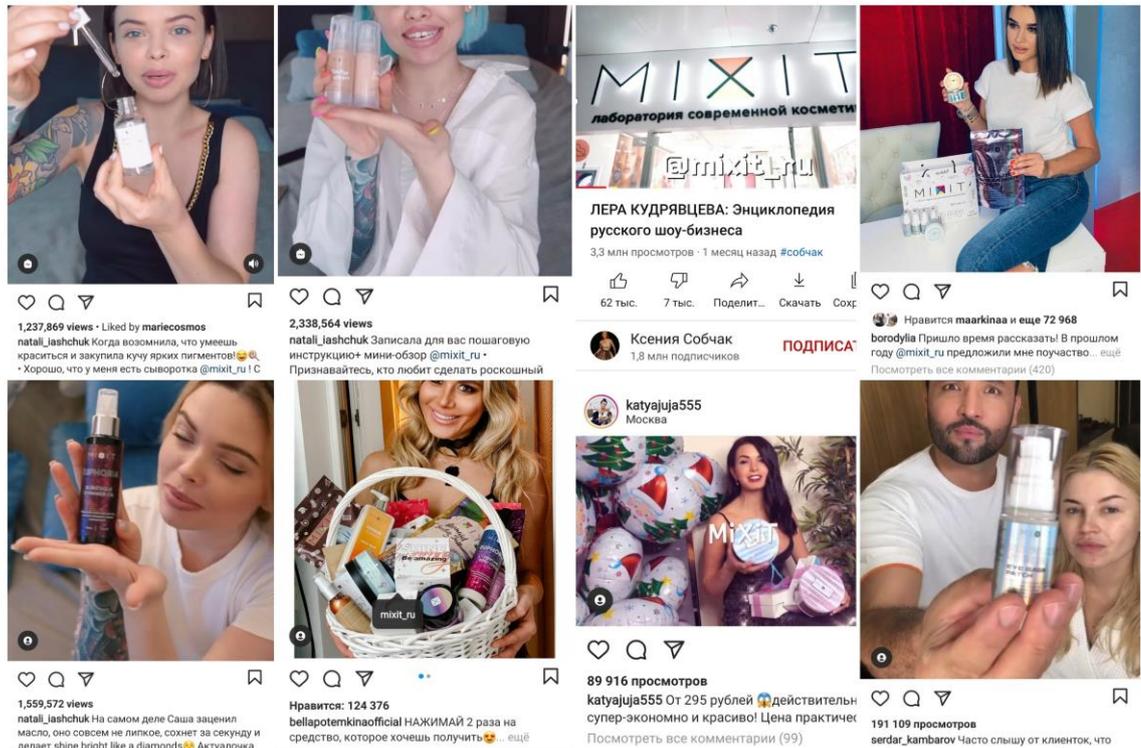
The comparative analysis of the research results showed that the branding strategy should be developed exclusively for every business, bearing in mind its capabilities, general thrust and world situation at the exact moment.

To conclude the research results it is important to say that there are not just differences between branding strategies of large and micro business, but also there are advantages and disadvantages. For example, small business has less room for error, but nevertheless it can cost it several times cheaper than for a large one. A small business cannot do everything well at once: perfect packaging, excellent interior, and the best specialists. But choosing what to invest in first of all depends on what entrepreneur believes in and what is important to him. As well as any brand must communicate very clearly about what it strives for, what it believes in and what it likes to do, most likely, it will attract exactly those people who need exactly this.

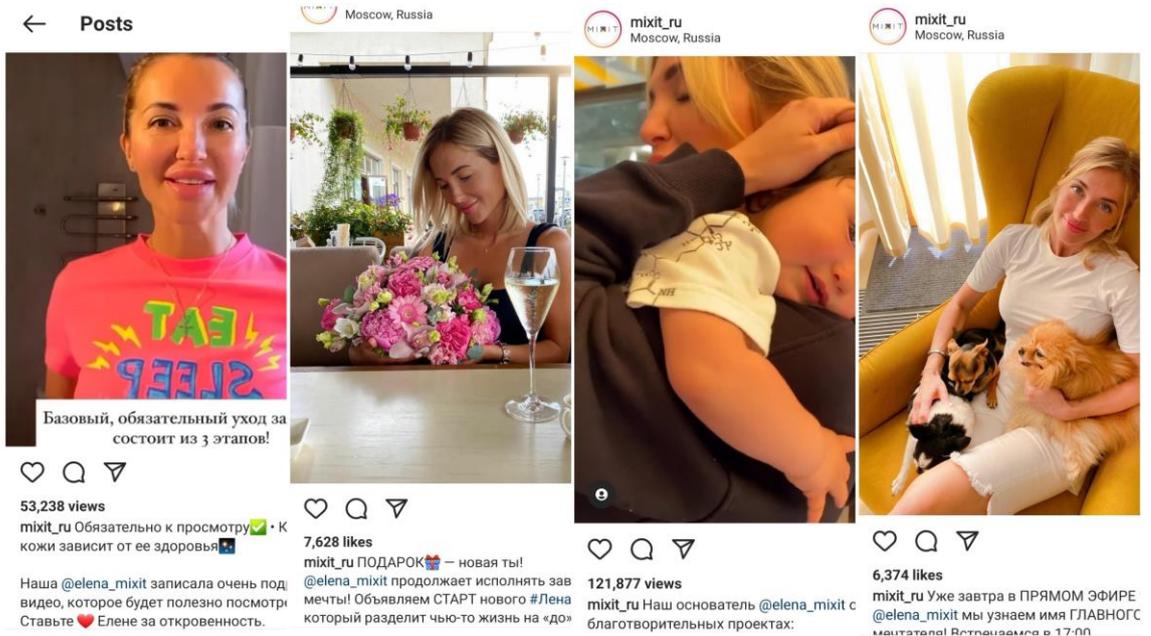
Nowadays, there is very interesting live era, when not only small businesses strive for the heights of corporations, but also large corporations actively observe the trends and tendencies of branding strategies of small companies. As a result of this mutual observation of each other continuous development in the field of branding can be seen. Corporations are trying to get closer to the consumers by developing personal brands of their leaders and by creating the illusion of an exclusive approach. In its turn, small businesses started to pay more attention at branding generally and particularly to own philosophy based on consumer needs. But to build a strong brand is not enough

to attract a flow of customers, it is important to be able to serve each of them with high quality product or service regardless of business size.

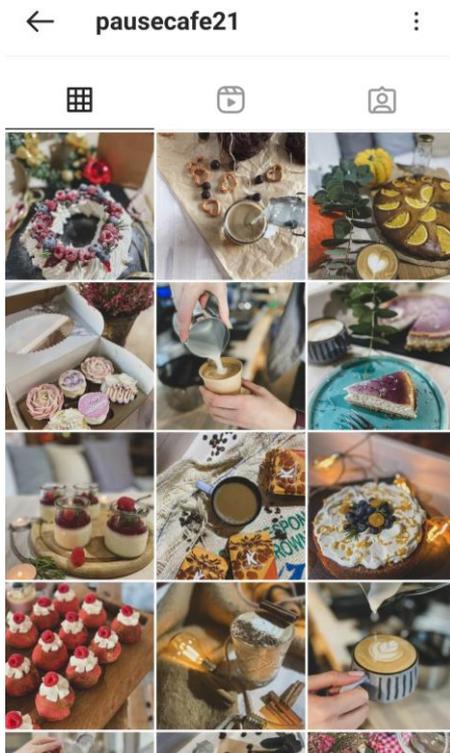
6 Appendices



Appendix 1 "Mixit brand ads in Instagram and Youtube"



Appendix 2 "Personal pictures and posts of Mixit owner Elena"



Appendix 3 "Pause Cafe 21 Instagram page"



PAUSE CAFE 21

Eerikinkatu 21, 00810 Helsinki

Söpo, pieni ja ainakin iltaapäivästä rauhallinen kahvila Kampissa. Tarjolla aamiaisseitejä, lounassalaatteja ja kahvilatuotteita kuten leipiä ja leivoksia. Ja ihan älyttömän hyvännäköisiä kakkuja, josta saa myös blausuotteina.

Cute, small and a fairly quiet coffee shop in the Kampi area. Pause Cafe 21 serves breakfast sets, lunch salads and cafe items such as sandwiches, cupcakes, etc. And cakes that look absolutely incredible, and that you can also preorder for your own needs.



Kyse on Albertinkadun ja Eerikinkadun kulmassa olevasta pienestä kahvilasta, joka on kahden pienyrittäjän omistuksessa. Kahvilan nimi on **Pause Cafe 21**. Kaikki leivonnaiset olivat itse valmistettuja ja kahvi oli taitavaa. Olisin voinut juoda sitä useamman kupin ja nauttia sisään tulivasta valosta. Hinnat eivät päätä huimanneet, sillä kahvi ja lounastyypinen quiche salaattilla maksoi 8,50. Tänne menen ehdottomasti uudelleenkin! Menkää tekin! <3

Nyt.fi | Nyt.fi

Instagramissa ihastuttanut Pause Cafe 21 osoittautui rennoksi kahvilaksi, jonka makeat herkut tekevät vaikutuksen

Pause Cafe 21 on onnistunut luomaan poikkeuksellisen ihanan Instagram-tilin.



Pause Cafe 21:n makeat kakut herättivät kunnioitusta. KUVA: PINJA SAARELA / HS

Raisa Mattila
30.9.2019 11:10

Pause Cafe 21

Appendix 4 "Mentions of Pause Cafe 21 in web articles"

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