HELSINKI SCHOOL OF ECONOMICS (HSE)
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CORPORATE BRANDING AND ITS EXPLOITATION IN A GLOBAL SUPPLIER CONTEXT: CASE METAL INDUSTRY CORPORATION

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Helsinki School of Economics **Abstract**
Master's Thesis **24.9.2007**
Anu Lähtönen

CORPORATE BRANDING AND ITS EXPLOITATION IN A GLOBAL SUPPLIER CONTEXT: CASE METAL INDUSTRY CORPORATION

Research purpose and objectives
This thesis is conducted in order to participate in strategic marketing discourse by investigating the possibilities of exploiting corporate branding in the global industrial supplier context. The study takes on a strategic, top management perspective into investigating the corporate branding process and how it could be implemented to this business-to-business context. The objective is to build a general process-geared framework based on existing academic knowledge and develop a company-specific process for corporate brand building.

Methodology
The empirical part of the study is based on researching one case company from the global supplying industry. The research method used is qualitative. The empirical data is collected from 10 semi-structured internal interviews, mainly from top management positions, and from secondary sources.

Findings
The framework presents a model for the corporate branding process in the specific context, with main variables relating to both communicating the corporate brand internally and externally. Branding was found to have as much relevance in this B2B context as in other, more studied contexts, especially towards a supplier's customers. The interaction between sales, production units and customers was found central for this study, since, also because of the traditionally strong role of production units in this context, it offers vital indications for the corporate branding process of a supplier. The sales organization's and production units' ways of interacting with customers are to be considered one of the main issues to be tackled.

The study's main finding, the strong role of production units and the sales organization in the corporate branding process of a supplier, can be seen as a relevant theoretical contribution. In conclusion for practitioners, the study emphasizes that corporate branding must be seen as much an internal as an external process. As important as is the evaluation of external messages that are sent against a developed corporate brand identity, is also enhancing the communication climate internally and making employees (especially in units and the sales organization) comprehend their role in delivering the corporate brand.

Keywords
Corporate brand, corporate branding process, corporate brand identity, B2B branding, global industrial supplying.

Helsingin Kauppakorkeakoulu **Tiivistelmä**
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Anu Lähtönen

CORPORATE BRANDING AND ITS EXPLOITATION IN A GLOBAL SUPPLIER CONTEXT: CASE METAL INDUSTRY CORPORATION

Tutkielman tavoitteet
Tämä pro gradu osallistuu strategisen markkinoinnin keskusteluun tutkimalla yritysbrändin hyödyntämismahdollisuuksia globaalissa alihankintateollisuudessa. Tavoitteena on tutkia yritysbrändin rakentamista prosessina tässä B2B -kontekstissa strategisesta, ylimmän johdon näkökulmasta. Tavoitteena on rakentaa konseptuaalinen prosessi-lähtöinen viitekehys pohjautuen olemassa olevaan akateemiseen kirjallisuuteen. Tämän viitekehyksen avulla pyritään tutkimaan tarkemmin yrityskohtaista brändinrakennusprosessia.

Lähdeaineisto ja tutkimusmenetelmä
Tutkimuksen empiirinen osa on case-tutkimus globaalista alihankkijayrityksestä. Valittu tutkimusmenetelmä on kvalitatiivinen. Aineisto kerätään haastattelemalla kymmentä, lähinnä ylintä johtoa edustavaa työntekijää case-yrityksen sisällä. Myös sekundaarisia aineistoja käytetään hyväksi.

Tutkimustulokset
Tutkimuksen viitekehys mallintaa yritysbrändin rakentamisprosessia tutkimuksen kontekstissa korostaen sekä sisäistä että ulkoista brändin viestimistä. Brändin käyttö, varsinkin alihankkijan asiakkaiden suuntaan, todettiin yhtä relevantiksi tässä B2B -kontekstissa kuin muissa enemmän tutkituissa konteksteissa. Myyntiorganisaation, tuotantolaitosten /-yksiköiden sekä asiakkaiden välinen vuorovaikutusdyadi oli tutkimuksen päälöydös ja prosessiin eniten vaikuttava aspekti. Myyntiorganisaation sekä tuotantoyksiköiden tapa kommunikoida ja olla vuorovaikutuksessa asiakkaiden kanssa on yksi tärkeimmistä haasteista joka alihankkijakontekstin johdon tulee ottaa huomioon brändiä luotaessa.

Tutkimuksen tärkein löydös, myynnin ja yksiköiden vahva rooli alihankkijan brändin rakennusprosessissa, voidaan nähdä lisänä nykyiseen teoreettiseen keskusteluun. Yhteenvetona johtajille tämä tutkimus korostaa yritysbrändin rakennusta alihankkijakontekstissa sekä sisäisenä että ulkoisena prosessina. Sen lisäksi, että ulkoisia viestejä tulisi arvioida rakennettua brändi-identiteettiä vastaan, tulisi sisäistä kommunikaatioilmapiiriä parantaa ja saada työntekijät (varsinkin myyjät sekä tuotantoyksiköiden työntekijät) ymmärtämään tärkeä roolinsa yritysbrändin viestinnässä.

Avainsanat
Yritysbrändi, yritysbrändin luonnin prosessi, yritysbrändi-identiteetti, B2B brändäys, globaali alihankintateollisuus.

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1 INTRODUCTION

> *"'To brand or not to brand?' is not the question. The question is 'What do you want your name to stand for?' And 'What do you want it to mean in the mind of the customer?' Every touch point between the company and the customer is an input to brand image."*
>
> (Webster & Keller 2004)

1.1 Background for the study

Branding and corporate branding have traditionally been in focus for many academics and companies alike – only the scope of brand research and literature has been more focused on consumer goods markets, not business-to-business (B2B) markets. From a practitioner perspective, the interest in corporate branding has been on the rise in all firms, lately also in B2B organizations. In recent years, the industrial market has paid more attention to branding, and how it could be accustomed to their business context in a success-nurturing way. Brand development is increasingly considered a strategic matter in B2B companies, indicating that brands are not only seen as a logo or a short term tool for attracting sales (Blombäck 2005, 21).

As Kunde (2000, 2) mentions in his book on corporate religion, the time has passed when technical advantages alone can sell a product. In the industrial supplier industry however, little emphasis has yet been placed on corporate branding and qualitative values. This is most likely due to the fact that many suppliers do not have an actual product the end consumer can perceive. Blombäck (2005, V) refers to suppliers exemplifying the "worst case scenario for branding". Is this true, or do companies in the supplier business see potential in the strategic management of their corporate brands? Are their corporate brands currently managed strategically, and if not, what ways do such firms have to improve their success in the ever-expanding global market by branding?

This study tries to widen the perspective of theory on corporate branding by exploring its challenges and exploitation possibilities in the global supplier industry. This is probably

the most demanding context for branding in the B2B arena, since as mentioned suppliers' offerings are for the most part integrated into the offerings of the next level in the value chain.

1.2 StratMark project

This study is a part of StratMark-project, a project that aims to advance knowledge in strategic marketing. Topics of interest include commercialization, marketing measurability and activities that contribute to the development of marketing competence within organizations. The project also aims to participate in societal business discourse in order to heighten the appreciation of marketing as a potential source of competitive advantage. The stated objectives are to extrapolate skills and know-how which help to develop new marketing competence in Finnish universities as well as discover and disseminate knowledge that helps to develop the competitiveness of Finnish firms. The project is funded by the Finnish funding agency for technology and innovation (Tekes) and Finnish business life.

1.3 Research problem, scope and limitations

This thesis aims to participate in strategic marketing discourse by investigating the corporate branding process and how it could be implemented to the global industrial business-to-business (B2B) context. The study examines corporate branding in the industrial supplier context – focus is on global suppliers who produce parts to main suppliers further in the value chain. The products or components produced by these suppliers are not necessarily visible to the end consumer.

The study takes on a strategic, top management perspective into the corporate branding issue in this context. As corporate branding and the overall strategy of a firm are highly entwined, the development as well as management of the corporate brand must also be considered an internal, top management concern. The following questions guide the thesis at hand: What is the current understanding and role of corporate brands in the global supplier context? Is there a possibility for corporate branding to be used more efficiently in this industrial context? Which characteristics affect a supplier's corporate

branding process? What can a supplier do in order to enhance pursuing corporate branding?

Research problem

This thesis tries to provide an insight into the following problem:

- **How can corporate branding be exploited in a global supplier context?**

The study aims to dismantle the concept of the corporate brand, discuss the process of corporate branding and the factors that are incorporated in corporate brand management, connect the corporate branding process to the business-to-business (B2B) context, and investigate it in specific relevance to global industrial suppliers by taking industry-specific factors into account. The empirical part of the study is based on one case company from the global supplying industry.

Sub problems:

- What is the current comprehension and role of corporate branding in the industrial supplier context? *Perceptions of the brand concept in an industrial supplier context. Basis for research.*
- Can corporate brand literature be applied to the global supplier context? Connecting corporate brand theory with the characteristics of the B2B supplier context. *Help in developing a framework for industrial suppliers pursuing corporate branding.*
- What effect does the traditionally strong role of production units (either shaped through history or by growth through acquisitions) have on a global supplier's corporate branding process? *Fragmentation issues and effects on corporate branding.*

The research question diagram, including the main research problem and sub problems with objectives related to each of these, is presented in the figure below.

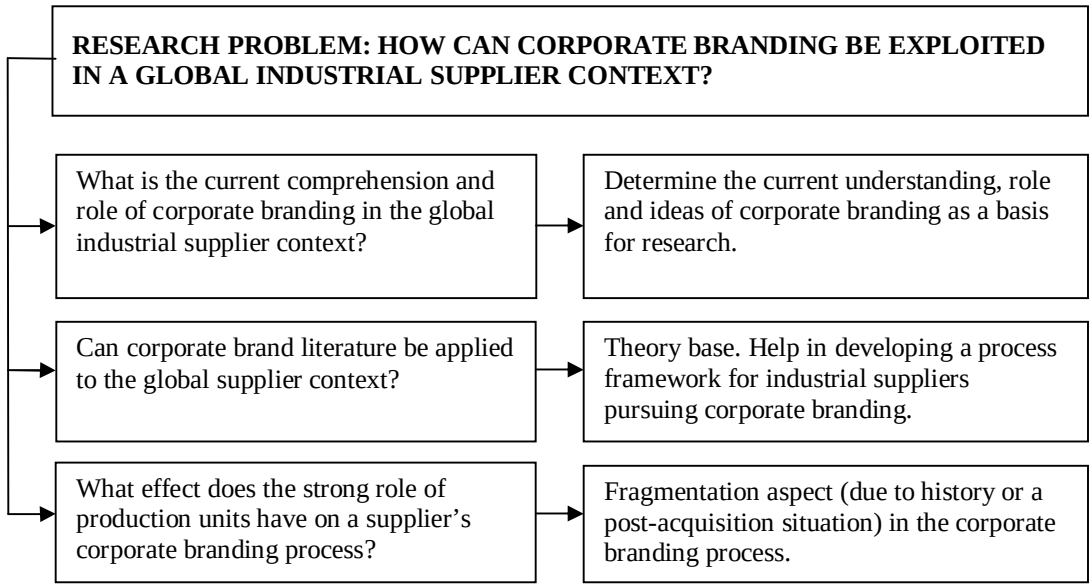


Figure 1. Research question diagram and objectives

The question in this study is not whether an industrial buyer has an image of the supplying party and the corporate brand or not. Truthfully, as long as the buyer has some awareness or knowledge about the supplier, there will be an image (Blombäck 2005, 3). Here lies the main point of this thesis; whether the consumer market (B2C) or the industrial market (B2B) is in question, the brand of the selling party does create associations in the minds of stakeholders. The question is, how seriously is this issue currently taken on the selling side, and how much and in which ways could the corporate brand management be developed so as to take all possible advantage out of branding?

Scope of study

This study aims to benefit both managers and scholars. The study's aim is to provide relevant information on the corporate branding process in the global B2B context, especially for fragmented corporations possibly in a post-acquisition situation. The scope of the thesis is solely on corporate branding in the B2B context; principally on supplying firms whose brand the end consumer does not necessarily perceive. The branding of products is out of scope. According to Blombäck (2005, 79), the corporate brand concept evolves around corporate image, corporate identity and corporate reputation. In this study, the focus is on investigating the corporate branding process from the

organization's point of view; i.e. what a supplier can do in order to develop and utilize its corporate brand globally.

Limitations of study

Examining the corporate brand image and corporate reputation (issues concerning stakeholders' external perceptions) represent vital parts in the corporate brand management context, but as Aaker & Joachimsthaler (2000) mention, the brand identity is the vehicle that guides the whole brand-building program. Corporate image and reputation are influenced by the idea that stems from the corporate identity. This study focuses on the internal aspects in corporate brand building. Corporate brand image and reputation are vital in the brand management process, but represent a scope too wide to be researched in detail in this study.

1.4 Definitions of key concepts

Corporate brand

The corporate brand defines the organization's identity. It is the combination of elements of strategy, corporate culture and corporate communications.

Corporate branding process

Corporate branding is the conscious strategy to affect the image in the minds of multiple stakeholders, both internal and external to a company. The corporate branding process thus embodies both the internal and external processes – it incorporates most aspects of the management of corporate identity, corporate image and corporate reputation.

Corporate brand identity

The corporate brand identity is the vehicle that guides the brand-building program, the core of corporate branding. If a company has not defined its corporate brand identity, there is little chance that effective brand building will occur. Regrettably, corporations are often only interested in images and reputations.

B2B branding

B2B branding is generally directly connected with corporate branding. The consumer market (B2C) companies generally have a choice on whether to engage in product branding or corporate branding, whilst companies operating in the B2B market rarely get to choose. In B2B context, the level on which the brand must be managed becomes much more of a strategic issue than ever in organizations managing product brands.

Global industrial supplying

Supplying in this study is defined as the productional cooperation between a main supplier and a supplier, where the supplier manufactures parts, components or stages of production for the main supplier (customer of the supplier). Global industrial supplying refers to activities between customers and suppliers who operate internationally or worldwide. Suppliers' offerings are generally not visible in the final product market.

1.5 Structure of the study

The next part of the study (Chapter 2) provides the theoretical basis for the upcoming chapters and is vital in understanding the terminology used in this study. Chapter 3 deepens the theory on corporate branding by linking it with the B2B and supplier contexts in particular. The methodology and the research approach for the empirical study are justified in Chapter 4, after which the framework provided by the theory is applied to the actual empirical study in Chapter 5. Chapter 6 draws the study to its conclusion, provides managerial implications and discusses ideas for future research in the relevant domain. The following figure clarifies the structure of the study.

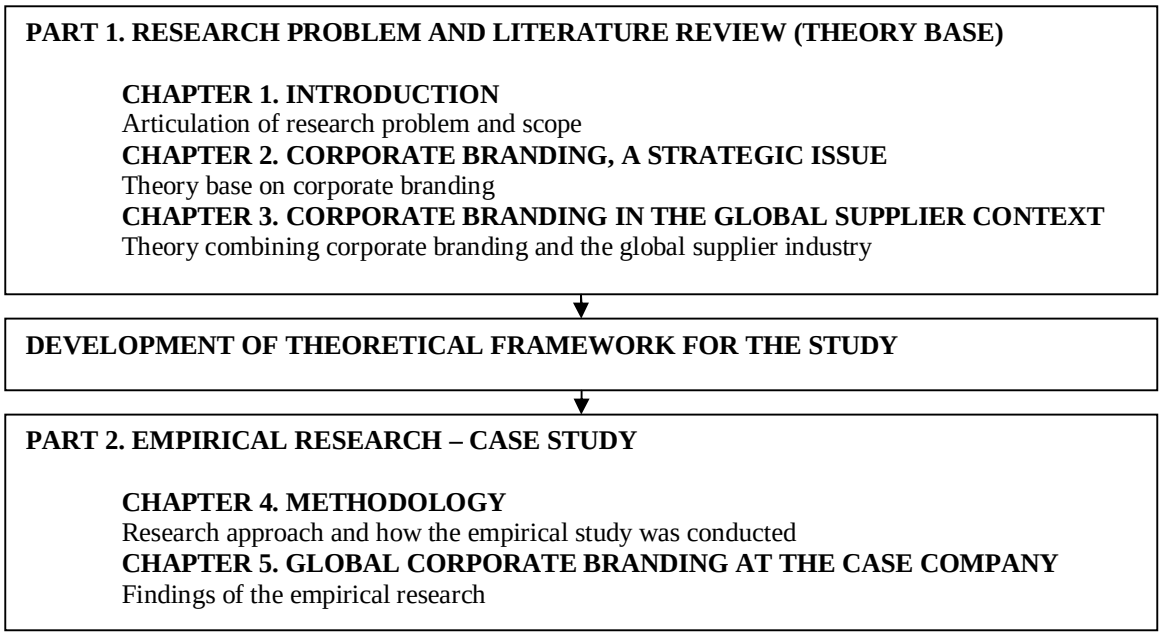


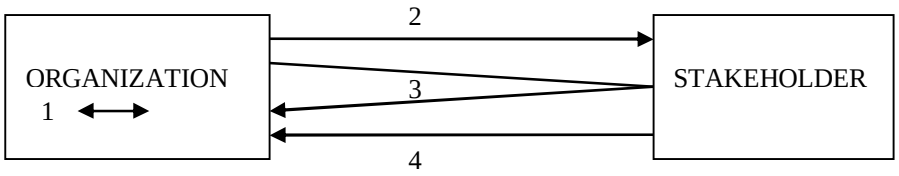
Figure 2. Structure of the study

2 CORPORATE BRANDING, A STRATEGIC ISSUE

Corporate branding is both a strategic, top management issue and an everyday matter that involves the whole organization down to each and every employee. Branding is not the same as marketing communications or just a duty of an organization's marketing department. This section aims to enlighten the understanding of corporate branding as a strategic and managerial issue, and the understanding of the term "brand" as much more than its visual identification, i.e. name and logo. This section deals with more detailed definitions of the study's vital concepts and their relationships. Corporate branding is also highly related to the concept of corporate strategic marketing, which entails an even larger role for the domain of marketing in today's companies. This chapter functions as an introductory and guiding part for the latter part of the study, which goes on to discuss corporate branding in the study's specific, industrial supplier context.

To begin, a figure on four key organizational viewpoints is presented. The figure illustrates four issues that organizations often find themselves addressing. The figure acts

as the starting point for the mindset of corporate branding and elements related to this, such as corporate brand identity, corporate brand image and corporate brand reputation.



1. Who and what are we as an organization?
2. What does the organization want others to think about the organization?
3. What does the organization believe others think of the organization?
4. What do stakeholders actually think of the organization?

Figure 3. Key organizational viewpoints (modified from Brown et al. 2006)

Figure 1 represents viewpoints that are embedded into the context of this study. The four viewpoints can be seen representing the different forms of corporate brand identity, corporate brand image and corporate brand reputation, the sub elements of corporate branding. These will be defined later in this chapter.

2.1 Brand, more than a name and logo

Today, every organization wants to have a brand. Branding has recently become or at least is fast becoming a strategic issue in all sectors: high-tech, low-tech, commodities, utilities, services, non-profit organizations, business-to-business (B2B) and so forth. Even the components industry is seeing a use for brands (Kapferer 2004, 2). What is more, it is not only organizations that wish to exploit the brand concept; countries, other physical places and even individual human beings are taking advantage of the term and being branded. Recent news include the city of Helsinki being branded as the exotic city between east and west (Huhtanen, 2007). The city of Helsinki has been actively developing its brand for the past two years, and now is the time to put the brand into practice externally. As a target group in the brand building process are foreigners, not the Finns.

So what is a brand, how can it be defined? Most importantly, a brand is not made up only of its elements (logo, product, slogan, colour i.e. visual identification). A name and logo are recognizable elements of a brand and are what most people think of when the word brand is mentioned – but they are not "the brand" (Morrison 2001). While a brand can be recognized by a name, logotype, symbol or a particular design, this is not what makes it interesting for a company. It is the ideas customers have about the brand and the added value it thereby brings which is worthwhile (Blombäck 2005, 9). Regardless of the brand concept being used broadly, misunderstandings and underestimates of what exactly a brand is are common. A brand is often seen as only the visual identification of a product or firm or, on the contrary, as a concept too abstract to be applied to the everyday business of a company. Even in literature, the brand concept is defined in many, partly overlapping ways. The following definition by Morrison (2001) captures the comprehensive essence of a brand, which is extremely appropriate for this study:

"A brand includes all of the associations, perceptions and experiences an interested party has when interacting with a company, whether it be the product, service, or conversation with a friend."

Abstractness of the concept

When used effectively, a brand is binding, creates loyalty, enhances reputation and boosts the income stream with a premium margin (Kuusela 2003, 8). A brand is something that can be used for gaining competitive advantages in both consumer and industrial markets (Blombäck 2005, 12). Unfortunately, the brand concept has evolved into being something intensively abstract and somewhat hard to describe. Since the term is so abstract and defined in many slightly differing ways by experts in the area, it is not highly surprising that traditional companies not originally engaged in branding can find it difficult to understand the comprehensiveness of the concept and to make use of it in their business.

It is discouraging that the term is often viewed as something too abstract to be actually applied to the strategy of a company. Often, the activities (such as selling, behaviour during negotiations etc.) a firm is engaged in are seen as the practical everyday business,

"business as usual", and the idea of a brand in a vacuum completely isolated from these. There is a gap between applying branding to the actual, practical work involved in the actions of a firm.

2.2 Branding

A brand is ultimately about experiences and what the audience and customers perceive of it. This implies that branding should be about the attempts to affect or monitor these experiences and perceptions (Blombäck 2005, 13). As stated in the previous chapter, a brand is not made up of only its elements – this can be taken further into defining what branding is not: branding is not only about designing the logo or other visual elements of the brand itself. As Kapferer (2004, 2) puts it, it takes more than branding to build a brand. Although communication through brand elements (such as logo, slogan, product and colour) is necessary in creating and building a brand, it is far from sufficient. A brand name and its visual symbol embrace, clearly, all the goodwill created by the positive experiences of stakeholders with a company, its products, channels, communication and people. However, it is vitally important to manage these contact points (from product to service to channel management, to advertising, to Internet site, to word of mouth, the organization's ethics and so on) in an integrated and focused way. This is the core skill needed in pursuing branding (Kapferer 2004, 2).

Graham (2001; ref. Blombäck 2005, 263) takes a wide view on what branding is, and defines it as follows: "Branding comprises everything a firm does". It seems it is not often understood, especially in the industrial context, how branding is imbedded in nearly everything that goes on inside and what shows to the outside of a firm. The above definition presents well the extent of the branding concept.

2.2.1 Branding does not equal marketing communications

All too often, branding is seen solely as a marketing effort (Morrison 2001). Marketing communications are connected to e.g. advertising, personal sales, exhibitions and trade fairs, sales promotion and direct mail. While brands are certainly affected and can be partly managed by these media, they cannot be used as the complete explanation for

branding. Having a brand mindset means everyone in the organization is aware of who the company is, where the company is going and what needs to be done to get there (Morrison 2001). Branding is thus something that includes every person in a company (Blombäck 2005, 14). It is about delivering a consistent message, no matter what the channel or contact point is between a stakeholder and the company.

2.3 Corporate brand

The corporate brand is the heart of all forms of branding. It defines the organization's identity. The corporate brand ties all the elements of a company together – it is the integrating force that brings the organization, its employees, shareholders, and, most of all, customers together (Schultz 2001). It is the combination of elements of strategy, corporate culture and corporate communications (King 1991, Knox & Bickerton, 2003). Through the corporate brand various stakeholders are able to see, remember and talk about the organization (Kuusela 2003, 8).

The number of stakeholders a firm must take into consideration especially in its corporate branding actions today has risen enormously. It never was, and it definitely is not enough today to market the corporation only to potential or existing customers. This broadened view of an organization's customers has been discussed by several authors (e.g. King 1991, Balmer 2001, Hatch & Schultz 2003) in the area related to corporate brands. These various stakeholders a company must take into account when pursuing corporate branding include (modified from Hatch & Schultz 2003):

- Employees (current & potential)
- Customers
- Investors
- Suppliers
- Partners
- Regulators & authorities
- Environment
- Special interests
- Local communities
- Media.

Corporations can no longer focus exclusively on keeping traditional stakeholders, such as shareholders, satisfied but they have to take into concern a great deal of actors directly and indirectly around them. Corporate brands of today must also increasingly take into account the ethical and environmental issues of the corporation, since there is a growing focus on these issues from the stakeholder side (Blombäck 2005, 27). What is also of particular interest today, is that the different stakeholders of corporations are increasingly overlapping, consisting of the same individuals (Parvinen et al. 2007). Thus, the importance of integrated corporate communications and corporate marketing is becoming more and more central and must be stressed. A company can no longer send a customized, somewhat different signal to customers than to e.g. investors, but a homogenous, interrelated message must be communicated through all the complex and versatile channels. What is more, employees represent one stakeholder group for an organization, but they simultaneously embody the organization to those on the external side. Employees are part of the organization and thus should be distinguished from other types of stakeholder groups (Brown et al. 2006). All this is what makes corporate branding a strategic issue and requires the attention of top management. The following figure presents the dimensions of a successful corporate brand.

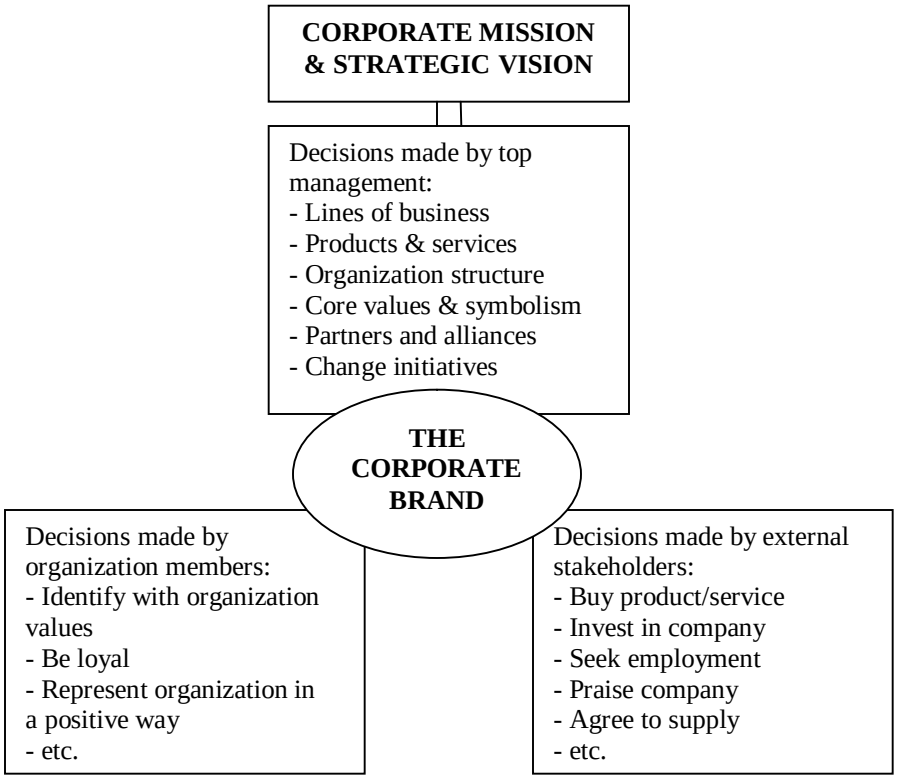


Figure 4. Dimensions of a successful corporate brand (modified from Hatch & Schultz 2003).

As Figure 2 shows, the execution of a successful brand involves the commitment of top management and includes both the internal (organization members) and the external (external stakeholders) view of the brand and their decisions based on this view. As discussed previously, this model separates employees from other stakeholders groups.

A few years ago, Kapferer (2004, 29) defined corporate brands as the new hot managerial topic. Companies want to create corporate brands in order to make company actions, values and missions more visible and value-adding. Moreover, the reason corporate brands are gaining attention is the fact that by having a strong corporate brand, the overall reputation of the company can be well defended. Many firms acknowledge the importance of having a good reputation among their customers, but the issue is hardly thought strategic. However, what is starting to be noticed by industrial organizations is that it is not only the customers of a company that reflect on the reputation of a firm, but it is of interest to a very wide audience that includes all stakeholders of a firm (Hatch &

Schultz 2003). Social responsibility issues gaining ever more attention have also largely affected the interest in companies to manage their corporate brands. Thus, a growing number of industrial organizations today are on the verge of understanding that their corporate brand and the way in which it is perceived by various stakeholders can be critical to business survival and success (Kuusela 2003).

2.3.1 Corporate brand vs. product brand

Corporate brands differ from product brands in several different aspects. The product and the corporation are of course related in that corporate brands add economic value to the variety of products and services offered by the company (Hatch & Schultz 2003). But, corporate brand forces thinking extremely beyond the product and its relation to the customer. Corporate brand as a concept is far more strategic than is often thought.

Even firms that have traditionally relied on individual product brands (a branding strategy where the perceptions differ from one brand to another and the corporate brand is not promoted at all), such as Unilever and Nestlé, are among other things finding the costs of individual brand support so high that use of both a product brand and a corporate brand is becoming more and more attractive (Sampson 2000; ref. Kuusela 2003, 9). Nokia for example, on the other hand, has always used an undivided branding strategy – meaning that the brand on the products they sell and the corporate brand name are the same (Kuusela 2003, 9).

Product brands usually need to appeal to the target consumer group in order to make them buy the product. Corporate brands have a need to appeal to numerous and very differing stakeholder groups, both internal and external (Kuusela 2003, 9), as mentioned in the previous chapter. This is what makes corporate brands harder and larger in scale to manage - the many different stakeholders may have different perceptions of the corporate brand. Corporate brands are considered central and more important to the organization and its future than product brands. The corporate brand cannot be refreshed with a new advertising campaign every year – this is also what makes it radically different to manage than product brands that may move from one “magic ingredient” to another on a regular

basis (Schultz 2001). This is why it will take a more senior management team to manage a corporate brand, as well as the CEO recognizing his role as corporate brand director (de Chernatony and Schultz 2002; ref. Kuusela 2003, 10). Similarly Nilson (1999; ref. Blombäck 2005, 269) argues that that only one person in an organization can be appointed the title of brand manager, namely the CEO, since she or he is ultimately responsible for all operations in a company.

According to King (1991) the "consumers" of the corporate brand are different and more diverse than the consumers of a product brand. He also states that there are more contact points with corporate brands than there are with product brands, staff are integral to corporate brand building and the personnel or human resource manager also has a role in its management.

Another important difference between the traditional product brand and the corporate brand is that the communication mix concerning corporate brands is more complex. Not only do companies need to consider sending a homogenous message through all the multifaceted channels, but they also need to take into account that the communication should reach not only customers but all stakeholders. Furthermore, the effects of communication over time should be taken into consideration. (Balmer 1998) What is also emphasized to great extent with regard to corporate branding today is the idea of corporate social responsibility. Ind (1997; ref. Knox & Bickerton 2003) states that a corporate brand has a much broader social responsibility or ethical imperative than a product brand.

The following table summarizes the differences between a product brand and a corporate brand:

	PRODUCT BRAND	CORPORATE BRAND
Focus attention on:	The product	The company
Managed by:	Middle manager	CEO
Get attention and gain support of:	Customers	Multiple stakeholders
Delivered by:	Marketing	Whole company
Communications mix:	Marketing communications	Total corporate communications
Time horizon:	Short (life of product)	Long (life of company)
Importance to company:	Functional	Strategic

Table 1. Differences between product brand and corporate brand (Hatch & Schultz 2003)

2.4 Corporate branding

Corporate branding is both a strategic, top management issue and an everyday matter that involves the whole organization down to each and every employee. This is because corporate branding exposes organizations and their employees to openness and examination by its stakeholders. Organizational behaviour, even at the level of everyday interactions, becomes visible and an organization becomes more transparent than ever before. This in turn increases the need of a healthy, non-cynical and social corporate culture (Hatch & Schultz 2003). When it comes to corporate branding and creating desired brand images in the stakeholders' minds, the importance of *all* the communications of the corporation, external and internal, and the shaping of corporate culture and employees' behaviour are thus strongly emphasized (e.g. de Chernatony 2001; ref. Aspara 2007, 7). The same idea is emphasized by Kunde (2000), as he points out that companies must be able to describe themselves – both internally and externally – because they are no longer adequately defined simply by the products they make. Customers buy the company and everything it stands for, so the company must be able to define itself in a connected and coherent way (Kunde 2000, 3).

An example of the currently grown interest in corporate branding can be drawn from the Finnish retail specialist Kesko, which set up a brand steering group chaired by the group's CEO in May 2007. The brand steering group will be responsible for guiding the

preparation and implementation of Kesko's group-level brand strategy. The group will be responsible for developing a common code of conduct and action for the various chain stores and hundreds of trade marks the company owns. (Laitinen, 2007) The brand steering group consists of around ten members from top management positions, both internal and external individuals to the company. As the brand steering group consists of external members in addition to all the chain managers internal to the group, the steering group is perceived particularly innovative. (Tammilehto 2007a)

What has already emerged in the previous chapters of this study, environmental and social responsibility issues are also becoming ever more crucial building blocks of the corporate brand (Parvinen et al. 2007). For example, companies such as Stora Enso and UPM-Kymmene have tried to convince media, customers, the general public and authorities of how their own performance accords with various definitions and measures of responsibility proposed by organizations such as Greenpeace and Friends of Earth. Also, Finnish retail giant Kesko recently announced it will start incorporating environmental issues and social responsibility as far as to the bonuses of managers (Tammilehto, 2007b) to show it takes the social responsibility issue seriously. Kesko has already previously been involved in a great deal of work convincing investors of the social responsibility of its actions. But, no longer is it enough to convince only investors. For example, a study conducted in 2007 on the favourite employers in the minds of business and technical students in Finland found that the most important factor influencing the favourability of a company among technical students was social responsibility. This result would have without doubt astonished anyone if it were pronounced ten years ago. The extent of what a company must do and show of its actions in the social responsibility aspect is rising constantly as the environmental consciousness of all its stakeholders increases. The rise of these environmental and social interests relate very closely with the corporate brand of a company.

2.4.1 Corporate culture as a context for corporate branding

For over twenty years, corporate culture has been acknowledged as the driving force behind the success of many corporations (Parvinen et al. 2007). Over fifteen years ago, Olins (1991; ref. Balmer 1998) stated that:

"*The most important audience for any company is its own staff. I cannot understand how people can say that the most important audience they have is the customer. Because if you cannot train your own staff in what you are, in what you think and in how to behave, how the hell can you expect to train your customer*?"

This statement perfectly underlines a central theme in this thesis. Corporate branding is too often associated with something directed only to the external audience of an organization while the internal aspects and the meaning of corporate culture are forgotten or underrated. The importance of employees as one of the most important stakeholder groups an organization has can never be overemphasized. A firm's own employees play a particularly big role in corporate branding (Balmer 1995; ref. Blombäck 2005, 269). Kunde (2000, 11) believes that an employee's best qualification is perhaps their belief in the company. People are usually employed for their professional skills, but because corporate culture is one of the most important driving forces behind successful corporations, it is just as important that the employee's attitudes and values are compatible with those of the firm.

In this study, culture is defined as patterns of behaviour that form a durable template by which ideas and images can be transferred from one generation to another or from one group to another (Haggett 1975; ref. Wilson 2001). Balmer & Wilson (1998) state, that marketers need to be more sensitive and to have a greater understanding of corporate culture when discussing questions of corporate branding, corporate marketing programmes and corporate identity management. Staff, their behaviour and attitudes are influenced by far more than simply the formal communication channels of the organization. According to Wilson (2001), there are four factors that influence corporate culture. These are:

1. **The business environment.**
2. **Leadership.**
3. **Management practices and the formal socialization process.**
4. **The informal socialization process.**

Internal corporate communications need to be ongoing and continuous if they are to have any impact. Wilson (2001) reminds, that corporate communications personnel need to work together with other departments and functions in generating homogenous messages and signals to staff, and in particular, to those personnel such as sales managers who may influence the attitudes of external stakeholder groups. The corporate culture may have as much influence on external stakeholders through the behaviour and attitudes of service/sales personnel as do the more formal corporate communications and visual identities. Thus, if companies wish to communicate a coherent corporate profile to the external stakeholders, they may have to choose between influencing the corporate culture of the service/sales personnel, or introducing a standardization of the service/sales encounter through e.g. the use of scripts (Wilson 2001).

An example of a successful corporate culture is Finnish Nokia and the "Nokia culture". Nokia has been able to market itself as an inspiring employer worldwide, both among existing employees and the general public. For years, Nokia has been ranked number one among the most attractive employers in Finland (Parvinen et al 2007). It also remains the favourite employer for both business and technical students in 2007 (Pulkkinen, 2007).

2.4.2 Management of corporate brand identity, image and reputation

When it comes to the images that various stakeholders have about the company, corporate branding has basically come to be seen to incorporate most aspects of the management of corporate personality, corporate identity, corporate image and corporate reputation (Aspara 2007, 6). Blombäck (2005, 80) also sees the corporate brand concept evolve around corporate identity, corporate image and corporate reputation, although she gives no emphasis to corporate personality. In general, corporate personality refers to the

values held by personnel within the organization (Balmer 1991; ref. Balmer 1998). The term has received somewhat little attention within literature (Balmer 1998) and many have been left wondering what the actual differences between corporate identity and personality are. Thus, corporate personality is seen to be incorporated in corporate brand identity and will not be discussed further in this study. Blombäck (2005, 94) argues that it is clear that the focus on identity, image and reputation together can be summed up in the importance of corporate branding, where each can guide or evaluate the actions taken and current position. Also, the importance of corporate culture as a guiding force and context behind corporate branding has been emphasized by several authors (e.g. Barney 1985, Wilson 2001, de Chernatony 2001, Hatch & Schultz 2003, Aurand et al. 2005), as discussed in the previous section of the study. What corporate branding comes down to in the end, in short, is the conscious strategy to affect the image in the minds of stakeholders. There is little advantage in an organization having a favourable corporate brand identity if the corporate brand image and reputation are bad (Balmer 1998). Next, these factors summing up as the corporate brand concept will be defined and discussed.

2.4.2.1 Internal view: corporate brand identity

At the core of branding lies the brand identity concept. While brand image refers mainly to how consumers and other stakeholders perceive the brand, brand identity represents what the company's internal view of the brand is. Before a company can send any message effectively, they have to know what message it is that they want to send (Bergstrom et al. 2002). The corporate brand identity concept (often simply referred to as corporate identity) is concerned with reality and the simplest definition for it is "what an organization is" (Balmer 1998). Thus, brand identity is an internal asset that can be used as a guiding tool in pursuing branding (Blombäck 2005, 86). Turning back to Figure 1 (Key organizational viewpoints) presented in the beginning of Chapter 2, corporate identity is demonstrated with arrow 1, "Who and what are we as an organization?"

The corporate brand identity is the vehicle that guides the brand-building program. If a company has not defined its corporate identity or if the identity is confused or ambiguous, there is little chance that effective brand building will occur (Aaker and

Joachimsthaler 2000, 27). This is why any attempt in pursuing corporate branding should start with a clear description of the corporate identity.

The following quote eases to make the essence of corporate brand identity understood (extract from the International Corporate Identity Group's Statement on Corporate Identity; ref. Balmer 1998):

"*By effectively managing its corporate identity an organization can build understanding and commitment among its diverse stakeholders. This can be manifested in an ability to attract and retain customers and employees, achieve strategic alliances, gain the support of financial markets and generate a sense of direction and purpose. Corporate identity is a strategic issue*." (Balmer 1998)

The primary objective of corporate brand identity management is to achieve stakeholder loyalty, through building understanding and a commitment to the organization's character (Balmer & Dinnie 1999). After several studies on corporate identity, Balmer & Wilson (1998) come to the conclusion that it is a very complex phenomenon. What makes it difficult is that employees of a company identify with a mix of identities, not just one. Especially in a time of mergers and acquisitions, where multiple identities are brought together to form one entity, managing multiple identities of the corporation has become extremely important to the success of a firm (Balmer & Greyser 2002). Managers cannot thus consider identity a corporate resource that can be easily managed and manipulated.

2.4.2.2 External view: corporate brand image

In literature, corporate brand image is commonly defined as the external perception of the corporate brand, as the internal perception refers to the corporate brand identity. Corporate brand image (corporate image) is what various stakeholders believe or feel about the company from their experiences and observations (Bernstein 1984; ref. Kuusela 2003, 16). It refers to the images that form through various encounters with the characteristics of an organization – it is the net result of the interaction of all the experiences, beliefs, feelings, knowledge and impressions that each external stakeholder

has about an organization (e.g. Bernstein 1984; ref. Markwick & Fill 1997). What is interesting to notice is that earlier models on corporate brand management (such as Kennedy's model from 1977 and Dowling's model from 1986) concentrated on the formation of corporate image and did not actively use the concept of corporate identity (Stuart 1999). Lately, more attention has been placed on the corporate identity management process and the formation of corporate brand image through this concept.

Corporate brand image reflects stakeholders' current and thus changing perceptions of the corporate brand. This is important to note when comparing corporate brand image to the concept of corporate brand reputation – these two concepts appear close to one another but what differs is the time perspective.

2.4.2.3 Corporate brand reputation

Corporate brand reputation (corporate reputation) is formed by the collection of messages and experiences received about an organization's products and services by an individual, group or groups over a period of time (Balmer 1998). As mentioned in the previous section, corporate brand image focuses on the latest beliefs about a firm, while the reputation is more stable and represents the merge of several images created over a period of time (Fombrun & van Riel 1997: ref. Kuusela 2003, 16). Markwick and Fill (1997) define reputation as the reflection of the historical, accumulated impacts of previously observed identity cues and possible transactional experiences. They argue that while images may be altered relatively quickly as a result of organizational changes or communication programmes, reputation requires nurturing through time and image consistency.

The corporate brand reputation is also often used as a practical control device inside the firm. Balmer (1998), for example, proposes a model for control through the company's reputation, namely that all decisions should be evaluated against the organization's reputation. In this way, the management can use reputation as a control standard in evaluation situations. Hereby managers can help to build a store of positive reputation,

which is a prerequisite for successful organizational development (Markwick & Fill 1997).

2.4.3 Relationships between corporate identity, image and reputation

The following figure brings the concepts of corporate brand identity, image and reputation together and also stresses the importance of corporate culture as an integrator in corporate branding. Corporate culture is marked as a dashed line surrounding top management vision, corporate mission and the corporate brand identity, because it is a context rather than a variable as the other elements in the figure.

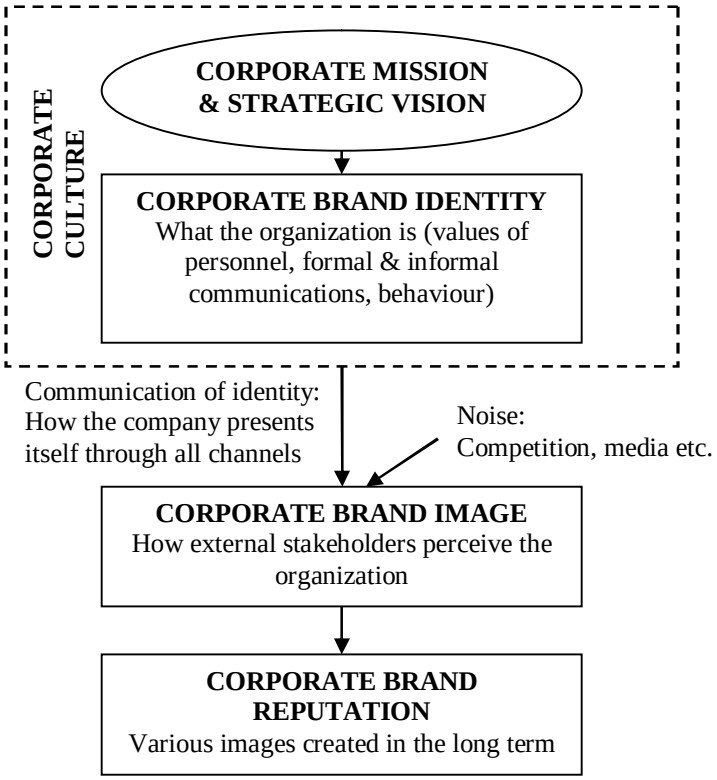


Figure 5. Corporate brand identity, image and reputation (modified from Balmer 1998, Kuusela 2003, Hatch & Schultz 2003)

It is now relevant to go back to Figure 1 shown in the beginning of this chapter, where the key viewpoints of an organization were presented. The following table brings together the viewpoints and what they relate to in terms of corporate brand management. What is important is not to mix the ideas on what an organization *believes* stakeholders think and what the stakeholders *actually* think about the organization. This is why

stakeholder and customer research is often needed in order to clarify the picture of how an organization is actually perceived externally.

KEY ORGANIZATIONAL VIEWPOINT	RELATES TO:
1. Who and what are we as an organization?	Actual corporate brand identity
2. What does the organization want others to think about the organization?	Desired corporate brand image
3. What does the organization believe others think of the organization?	Construed corporate brand image
4. What do stakeholders actually think of the organization?	Actual corporate brand image & corporate brand reputation (long-term)

Table 2. Key organizational viewpoints and how they relate to corporate identity, image and reputation
(modified from Brown 2006, Balmer & Soenen 1999 and Balmer 2002).

In this study, the focus is on investigating the corporate brand from the organization's point of view. Examining the corporate brand image and corporate reputation (issues concerning stakeholders' external perceptions) represent vital parts in the corporate brand management context, but as Aaker & Joachimsthaler (2000) mention, the brand identity is the vehicle that guides the whole brand-building program. Corporate image and reputation are influenced by the idea that stems from the corporate identity. This study focuses mainly on the internal aspects of corporate brand building in the supplier industry.

2.5 Conclusion: central themes in corporate branding

There are three areas in corporate branding that appear to be stressed most by theory in the relevant domain (e.g. King 1991, Knox & Bickerton 2003, Hatch & Schultz 2003, Blombäck 2005). These relate to branding's proximity with strategy, the importance of internal focus and multiple stakeholders as audience of external communications. Additionally, brand theory emphasizes how brand building must be an ongoing process, not a series of one-off events. The following summarize these four main themes in this study:

1. **Strategy and corporate branding are entwined**.

Corporate branding requires the involvement and commitment of top management. The corporate brand can not be managed in a vacuum isolated from other corporate functions.

2. **Internal focus is necessary.**

Corporate brand identity stems from the core of an organization, and the importance of internal communications is emphasized. Corporate branding is as much the responsibility of each and every employee as it requires the attention of top management. Corporate culture acts as a context for corporate branding.

3. **A corporation must communicate to multiple stakeholders**.

There is a vast array of stakeholders a company must take into consideration when pursuing corporate branding.

4. **Corporate branding is a process.**

Building the corporate brand is an on-going process, not a project that has a start date and an end date. Corporate branding includes both the internal and the external brand building processes. Regular corporate brand audits must be done in order to keep the brand representing what it was originally set up to stand for.

As these four represent vital themes for the study, they will be elaborated in more detail in the following.

2.5.1 Strategy and corporate branding are entwined

The corporate brand and its management should be linked to the overall strategy of a corporation (e.g. Melewar & Walker 2003). The corporate brand defines the organization's identity and ties all the elements of a company together. As stated previously, it is the combination of elements of strategy, corporate culture and corporate communications. Corporate branding should penetrate all functions of the firm, and marketing should be treated as a mindset rather than only a separate department or function. This is also why corporate brand building requires top management

commitment and involvement. The CEO's active role in corporate brand building can not be underestimated.

2.5.2 Internal focus is necessary

The most important audience for any company is its own staff. Corporate branding is too often associated with something directed only to the external audience of an organization while the internal aspects are forgotten. The importance of employees as one of the most important stakeholder groups an organization has can never be overemphasized. All departments and functions must work together in generating homogenous messages and signals to staff, and in particular, to personnel such as sales force who may influence the attitudes of external stakeholder groups.

What is also to be noted here, is that the corporate brand identity, the major building block of the corporate brand, is the answer to the question: "What the organization is". Thus, it deals very closely with internal issues and represents the identity of the corporation as a whole. The internal focus is necessary in corporate branding, since the whole concept of corporate brand building begins with the description of the corporate brand identity. If a company has not defined its corporate identity, there is little chance that effective brand building will occur.

2.5.3 A corporation must communicate to multiple stakeholders

There are various stakeholders a company must take into account when pursuing corporate branding. The close relevance of corporate branding to corporate-level marketing, and also to the concept of corporate strategic marketing presented recently by Parvinen et al. (2007), act as evidence of this. According to their study, a company must market itself in various markets derived from the traditional corporate management functions (strategy, finance, administrative & support functions and marketing). This relates to the same view the current corporate branding literature has on taking into account the various stakeholder groups, both internal and external to a company. It can thus be stated that there is a need for a company to see its various stakeholder groups as different "markets", and hereby market itself to these. Parvinen et al. have taken this idea further and suggest that the traditional view of corporate management as a whole be

conceptualized as “corporate strategic marketing”. They emphasize the importance of the spirit of marketing in all actions of today’s companies. Hovanyi (2004) agrees that the future will justify and even enforce the concept and implementation of the idea of corporate-level marketing. Similarly to Parvinen et al. (2007), Hovanyi additionally broadens his view and states that marketing in the future will be a characteristic function of a company, a philosophy of top management and an attitude of the whole firm.

What is suggested in this study is that the mindset of corporate strategic marketing and the idea of all stakeholders and audiences related to the traditional corporate management viewed as “markets”, be adopted when pursuing corporate branding.

2.5.4 Corporate branding is a process

Literature on corporate branding stresses that corporate brand building is an ongoing process that should be monitored *both* internally and externally on a regular basis. Corporate brand building or brand development is not a project that has a start date and an end date, but the appointed brand management team’s work must be continuous. Brand building is a long process, which requires purposefulness and consistency (Laakso 1999). This strategic process should be visionary and integrate cross-functional activities in the value-adding process (de Chernatony 2001). Academic literature emphasizes the importance of top management commitment in the brand building process, which again ties the process to the overall strategy of a firm.

This study approaches the corporate branding phenomenon in the global supplier context with these four tenets as a backbone. Corporate brand building has to take into account alignment with the overall strategy of an organization, internal issues, and communication to multiple stakeholders, keeping in mind that the whole brand management is an on-going process. This is how building the corporate brand can be executed.

3 CORPORATE BRANDING IN THE GLOBAL SUPPLIER CONTEXT

For a long time, brand research and literature were focused on consumer goods markets. In recent years, the industrial market has paid more attention to branding, and how it could be accustomed to their business context in a successful way. Brand development is increasingly considered a strategic matter in many B2B companies, indicating that brands are perhaps no longer only seen as a logo or a short term tool for attracting sales but also as a longer-term strategic issue (Blombäck 2005, 21).

Disappointingly, B2B brands in particular have long suffered from the belief that branding is a purely external activity (Lynch & de Chernatony 2004). B2B organizations of today must recognize that that successful external brand communication is highly dependent on employees understanding and committing to brand values. For B2B brands to connect with organizational customers, emotional brand values need to be communicated effectively both within the organization as well as externally – mainly through the industrial sales force (Lynch & de Chernatony 2004). Today, B2B marketers who think that brands have no role to play are ignoring a powerful tool (de Chernatony & McDonald 1992; ref. Thompson et al. 1997/98). This part of the study concentrates on bridging the gap between the characteristics of the supplier industry, a global context and corporate branding. The supplier industry represents the "worst case scenario for branding" according to Blombäck (2005, V). There have not been but a few studies concentrating on corporate branding in this industry.

3.1 Corporate branding in B2B industries

Corporate brand is the core and integrating force that separates B2B marketing, communication and branding from what is commonly employed in the consumer field (Schultz 2001). The consumer market companies generally have a choice on whether to engage in product branding or corporate branding, whilst the companies operating in the B2B market rarely get to choose. For example, Caterpillar is both the corporation and the brand. Since there is only one corporation and only one brand in the B2B context, the level on which the brand must be managed becomes much more of a strategic issue than

ever in organizations managing product brands. What is more, Aspara (2007, 11) mentions that researchers of B2B branding have recently pointed out that corporate branding is about images in the minds of all stakeholders, not only customers. These views on the vast array of stakeholders for corporate branding and the importance of corporate culture as well as internal communications in today's companies are brought forward by an abundant number of academics with work on corporate branding in general, as can also be noted from previous chapters in this study.

However, despite the growing interest in corporate branding among B2B companies, Thompson et al. (1997/98) point out that B2B marketers are not often comfortable with branding. Morrison (2001) argues that many B2B companies still misunderstand what a brand is and the kind of value and competitive advantage it can provide. Even so, either the corporate brand must be managed as a strategic asset or it will be managed by customers more or less at random. Properly managed, a B2B corporate brand can realize the same advantages as a consumer brand – such as greater loyalty, price premiums and the ability to extend into other categories (Webster & Keller 2004).

3.1.1 Common B2B branding pitfalls

Morrison (2001) argues that inside B2B firms, even those interested in branding are limited in their thinking and only consider a brand name, logo and tag line. Similarly, Blombäck (2005, 325) finds that the brand concept is not understood to its full potential in the industrial context. In the following, Morrison's (2001) six most common B2B branding pitfalls are presented:

1. **Branding is only a consumer products thing**
2. **Branding is simply a name and logo**
3. **Only products are branded**
4. **Brands take care of themselves**
5. **Branding decisions are based on internal perspectives alone**
6. **Branding is an external thing that only concerns marketers**

As these pitfalls aptly represent general misunderstandings of branding in the B2B arena, each one will be elaborated in more detail next.

1. **Branding is only a consumer products thing.**

As B2B companies sell their products or services to other companies, it might seem useless to them to use resources on branding, since the end consumer might not ever even perceive the brand. B2B companies tend to think that to their customers, i.e. other companies, a valuable and respected brand plays no part in the buying process. In the history of literature on B2B buying behaviour, only technical aspects and hard facts were emphasized as important buying criteria. However, what Shaw et al. argued in 1989, almost over 20 years ago, was how industrial buyers in a complex, technical market can value intangible attributes more highly than functional product features. Since then, the "softer side" in decision-making among B2B buyers has been ever more surfacing. As Mudambi (2002) puts it, branding plays a more important role in B2B decision making than has generally been recognized.

2. **Branding is simply a name and logo.**

Morrison (2001) describes a discussion on branding efforts with the CEO of a component manufacturer. The CEO tells how they had designed their corporate logo, decided to link all brands through a corporate endorsement and redesign the tag line. What is clear from this example is how branding in B2B markets is often seen as the visual, external elements that only make up the surface of a brand. Issues such as brand identity and brand proposition that the component manufacturer in question were trying to communicate through these visuals had never even been heard of. This example underlines how misunderstanding the brand concept can cost a lot of time and money. Changing the name and redesigning a logo are valueless gestures if they are not done with a deeper purpose.

3. **Only products are branded.**

This view by Morrison in 2001 is luckily changing today. As almost anything is being branded today, many companies (be it the consumer market or B2B market) are seeing

the possibility in branding their company. Still, what might often still be misunderstood is that the management of the corporate brand is a far more strategic issue than the management of product brands. Managing corporate brands is not the same as managing product brands at a larger scale.

4. **Brands take care of themselves.**

B2B organizations often think that a one-time investment in the corporate brand is sufficient, after which the corporate brand will continue to lead a successful life of its own. However, a brand is as much an asset as is technology and machinery – it is affected by internal and external forces that require reactions and changes. A corporate brand needs investment, management and continuous maintenance. It is a process, not a short-term project.

5. **Branding decisions are based on internal perspectives alone.**

Unfortunately, a company can not own their brand. Despite the fact that a brand is developed using internal assets such as corporate brand identity, in the end it is the images and perceptions of others that matter most to the company. This is why continuous audit should be carried out regarding customers and other stakeholders' views and ideas on the corporate brand. Decisions on corporate brands can not be based on internal audits and self-reflection alone.

6. **Branding is an external thing that only concerns marketers.**

Often, all branding efforts are focused externally on customers or other external stakeholders, and very few are aimed at ensuring that the internal organization meets the expectations created by the brand committee or other group responsible for brand-building. When it comes to branding, the shaping of corporate culture as well as employees' behaviour and internal communications are highlighted especially in respect to B2B companies. B2B companies do not often recognize that branding is a company-wide mindset that every department, business unit and employee needs to understand and believe in to deliver a valuable, branded service to customers (Morrison 2001). With respect to all, but more importantly B2B companies, the Human Resources department

thus becomes an active player in the corporate branding process. Thus, the first and most important thing an organization must understand when pursuing corporate branding is that it is not only the duty of the marketing or communications department, but it is the duty of every department and every individual. Similarly to Morrison, Knox & Bickerton (2003) argue that the role of corporate brand management is not a peripheral activity that can be delegated to a marketing or single communication function. Nurturing a company-wide social corporate culture acts as one supporting pillar in the corporate branding process.

These six pitfalls by Morrison (2001) provide an accurate viewpoint on how "wrong" branding can sometimes be seen in the B2B world. This is why in this study, the empiric part also addresses the questions of what the respondents associate with the brand concept, and who they believe should be responsible for branding. In his six B2B branding pitfalls, Morrison purely describes brands, not precisely corporate brands. However, his tenets on what can go wrong in the branding mindset are nevertheless highly relevant.

3.2 Corporate branding and global suppliers

Recently, the executive director for the international marketing association of the paper industry pointed out the following: "Marketing used to be a separate function. Now it penetrates the production, R&D as well as the purchasing and sales functions" (Pöysä 2007). This statement implies a growth in the understanding and strategic meaning for the whole marketing concept in the global B2B arena.

Although the global corporate brand may not be as big a determinant of success as the price-performance relationship in B2B businesses, the effectiveness of the selling process and customer service is usually vital. Also, the reputation of the organization as a trusted partner worldwide is an essential source of competitive advantage in B2B industries. These are arenas where the global corporate brand plays a major role. (Kuusela 2003, 31).

In this section, the implications of long-term relationships and the global context for the supplier field are discussed, after which the discussion is taken further to examine the B2B buying, sales and delivery processes. These are extremely relevant aspects to consider as background factors in the global brand building process.

3.2.1 The changing role of supplying in B2B markets

The business environment and characteristics of supply activities in an industrial firm have been changing for the last 20-30 years. Supplying has changed from being determined by a cheap price into one of the most important strategic activities for a firm (Kärki 2000, 9). Internationalization and globalization have lately also been the central drivers of development in all industries, also in the supplier context.

3.2.1.1 Collaborative, long-term relationships

In the twenty-first century, the orientation from the buyer side has been decreasing the number of suppliers and strengthening the supplier collaboration. Mudambi et al. (1997) note, that companies are moving away from their traditional adversarial relationships with multiple suppliers. Now, companies are looking for skilful suppliers that are interested in technology development to have as cooperation partners (Gadde & Håkansson 1994; ref. Kärki 2000, 9).

Price, quality, delivery time and delivery reliability have traditionally been the most important characteristics influencing the choice over a supplier (Kärki 2000, 18). These are still no doubt vital factors affecting the choice process, but are considered more "for granted" attributes today. Ever since the 1990's, other essential factors for the process have emerged. These strategic factors have a focus on the future; the long-term perspective of the supplier relationship and the supplier's ability to develop in relevance to the demands of the customer are emphasized (Ellram 1990; ref. Kärki 2000, 18). In the future, certain competent suppliers are expected to move into a key (first tier) supplier status and manage suppliers further in the value chain on behalf of the customer. Thus, close and long-term collaboration relationships between buyers and "key" suppliers have become the decisive factor and a strategic asset. This view is brought forward by a

number of academic papers in the area of B2B buyer-supplier relationships (eg. Spekman 1988, Mudambi 1997, Cannon & Perreault 1999, Kärki 2000, Larsson 2000, Ulaga & Eggert 2006).

Since there is a growing trend towards buying organizations to operate with only a reduced number of suppliers (i.e. "key suppliers"), relationships are geared toward a more partnership-like essence; characteristics such as trust, long-term aspect, openness in exchanging information, mutual development goals and strategies, a both-sided benefit from the relationship (a win-win outcome), mutual development of the business as well as mutual commitment to activities are emphasized (Kärki 2000, 33). According to Larsson (2000), there is an emergence of a totally new buyer-supplier model based on cooperation and non-market exchange that emphasizes qualitative factors over price. The main reasons behind this are the growing demand for customer responsiveness; consistent high-quality production and flexible deliveries. Traditional relationships no longer suffice; closer, more collaborative approaches are thus needed (Spekman 1988).

As a consequence, suppliers also need to understand how they can create and deliver value in B2B relationships beyond only selling products. The challenge of moving into a key supplier position and defending this position against alternative suppliers becomes a question of utmost relevance to industrial suppliers (Ulaga & Eggert 2006b). This is why suppliers today need to look for new ways to differentiate themselves from competitors – here lies the potential for effective corporate branding.

3.2.1.2 Globalization

The metal industry, for example, is experiencing huge international growth. In Finland, the export figure of metal grew 56 per cent in January-February 2007 compared to the same figure from year 2006 (STT, 2007). Lately, the development towards internationalization and globalization has increasingly broadened into the supplying activities of firms. Suppliers face the demands of becoming an international or global player due to reasons such as their customers spreading their activities to global markets, establishing subsidiaries or production units in other countries and entering international

collaboration contracts (Kärki 2000, 11). A good example of globalization is the automotive industry, where all of today's leaders are organized on a global scale and most of their important suppliers are also present around the world (Larsson, 2000). For automotive customers, there is a preference to have the globally preferred supplier, with which there is a close relationship, also in a new host country. Suppliers that have been appointed to design, manufacture and assemble a subsystem in the car maker's country of origin are often asked to follow their clients to new locations (Lung, 2001; ref. Papadopoulos & Zima 2006).

As an effect of globalization, company growth is often an inevitable outcome. Recently, there has been a development towards the formation of large, often multinational suppliers. This is often due to the consolidation of the traditional supply system through mergers and acquisitions of smaller firms into large international/global supply companies with major capacity both in R&D and production (Larsson 2000). However, expansion of corporate structures can also lead to chaos. Due to possible decentralization or fragmentation of the firm, the location of the control centre can get blurred, and it is possibly no longer clear where the orders are coming from (Kunde, 2000, 11). Kunde argues that for example international sales companies are often a sprawling mass with different management ideas and different cultures, all focusing on different things. As long as a company has at its core a strong ideological management with full control over the organization down to the smallest subsidiary, the problems are manageable. In an international company with 4-5 big markets it gradually gets harder to find out what the company's mission is or what is ought to be (Kunde, 2000, 29). When considering corporate branding in a global context, the issue of internal focus, discussed in Chapter 2, becomes ever more critical. Ind (1997; ref. Melewar & Walker 2003) states the following:

"In creating and managing global brands, the real challenge is people: how to achieve consistency around core principles, while allowing degrees of adaptation to meet the needs of stakeholder segments either nationally or internationally".

This statement brings again to the forefront the issue of people; management, employees and the shaping of corporate culture and internal communications are vital not only in the corporate branding management process in general, but especially in the B2B industry and a global context. Aaker and Joachimsthaler (2000) also stress the importance of people and corporate culture in the global brand building process. They state that the people, systems, corporate culture and structure of an organization should be utilized to allocate resources globally. Aaker and Joachimsthaler (2000) present four basic tenets an organization must follow when pursuing global branding:

1. **Stimulate the sharing of insights and best practices across countries.**
2. **Support a common global brand planning process.**
3. **Assign brand-related managerial responsibility in order to create cross-country synergy.**
4. **Utilize brand building programs.**

Because of the effects of globalization, stakeholders of all kind have become increasingly interested in and engaged with issues of social performance. It is also starting to be noticed by industrial organizations that it is not only the customers of a company that reflect on the reputation of a firm, but it is of interest to a very wide audience that includes all stakeholders of a firm (Hatch & Schultz 2003). Global B2B brands must, just as other global players, also take into account the value multiple stakeholders of today place on issues such as ethical practices and social corporate responsibility (e.g. Blythe & Zimmerman 2005, Kotler & Pfoertsch 2006). Corporate social responsibility, or corporate citizenship, is, as discussed previously, one of the hot topics of the twenty-first century in academic research, the corporate world and public media. An example that shows the importance of this is a Finnish study that presents that the most important factor for technical students when evaluating companies was social responsibility. Other important factors for both technical and business students included multinational personnel, strong corporate culture, inspiring management, innovativeness and success (Pulkkinen, 2007). It is becoming more and more intriguing for young professionals, one of the most important stakeholder groups for any organization, to seek employment in

global companies. All these issues relate closely to corporate branding in global B2B industries.

3.2.2 Characteristics of the B2B buying process

Industrial buying is a combination of individual and organizational decision-making processes, and brands have influence on both sets of processes. Industrial buying decisions typically involve many actors, take place over a longer period of time than consumer decisions, and go through a series of decision stages (Webster & Keller 2004). Mudambi (1997, 2002) challenges, similarly to previous authors on the subject (e.g. Shaw et al. 1989, Thompson et al. 1997/98) the view that the industrial buying process is too rational for qualitative, emotional attributes to have any significant bearing on the outcome. Mudambi states that intangible factors do matter, even in rational and systematic decision making. The fundamental point according to Webster and Keller (2004) is that individuals, not organizations, make decisions. In sum, individual influences, organization influences and external environmental influences are the major forces affecting the dynamics of the group that makes buying decisions (Morris et al. 2001).

3.2.2.1 The decision making unit

Trying to sort out the various people involved in the buying decision is one of the industrial supplier's greatest challenges. Still, without a thorough understanding of who buys, why they buy, when they buy, where they buy and how they buy, the supplier is greatly increasing the likelihood of market failure and wasted resources (Morris et al. 2001). Inside every buying organization, there is a so-called decision making unit (DMU), or buying centre, that comprises of individuals taking part in decisions on buying. Although the purchasing department would seem to be the most obvious participant, it may be primarily responsible only for order processing, negotiation, value analysis, sourcing expediting and vendor relationships. Actual buying decisions frequently are made elsewhere. For example, the purchasing department often interacts varyingly with departments of human resources, production, design engineering and finance when trying to arrive at a purchase decision (Morris et al. 2001). Thus, the role of

the customer's top management, product development department, quality managers and design and technical engineers, to name a few, should not be underestimated when evaluating the dynamics of the DMU.

3.2.2.2 Intangible vs. tangible attributes and the buying process

Price, quality and delivery time have traditionally been the most important attributes influencing the choice over a supplier. These, in addition to attributes such as the product life, lead time, number of detects, number if late deliveries, technical support, financial services and the supplier financial stability are all called tangible aspects – they are quantifiable by measures (Bendixen et al. 2004). Intangible attributes, on the other hand, are qualitative aspects that are emphasized ever more today in buyer-supplier relationships (e.g. Larsson 2000). The following table separates some of the most common tangible and intangible attributes.

TANGIBLE ATTRIBUTES IN DECISION-MAKING	**INTANGIBLE ATTRIBUTES IN DECISION-MAKING**
Price	Service quality
Product/component quality	Reputation for reliability
Delivery time and safety	Ease of ordering
Technical capability	Degree of rapport between suppliers and customers
Company size	Understanding between suppliers and customers
Financial standing	General supplier reputation
	Supplier personnel compatibility & trust
	Pre- /post-sales support & responsiveness
	Image
	Corporate culture fit
	Supplier professionalism/leadership
	Supplier's ability to cooperate & communicate

Table 3. Tangible vs. intangible attributes in B2B decision-making (Modified from Mudambi et al. 1997, Thompson et al. 1997/98 & Kärki 2000)

Thompson et al. (1997/98) argue that changing working practices, globalization and new technology have combined to change the way in which industrial buying is conducted, and suppliers are faced with an increasing need to efficiently differentiate and communicate their offering in the marketplace. B2B branding is, according to them, an under-used but potentially powerful tool for contributing to this. Industrial brands can differentiate themselves on the basis of a great many brand attributes and benefits that range in tangibility and their relationship to the offering (Webster & Keller 2004). Ulaga & Eggert (2006a) have identified service support and personal interaction as core differentiators for suppliers, followed by the supplier's know-how. According to them, product quality and delivery performance (factors of the traditional tangible view) display only a moderate potential to help a firm gain and maintain key supplier status today. Also, their study emphasizes that price shows the weakest potential for differentiation. Similarly, Blombäck (2005, 59) states that when it comes to overall supplier evaluation of complex products, price is less important while quality, delivery and performance history in accordance to mainstream assumptions are important criteria.

Thompson et al. (1997/98) have identified, by conducting a study with respondents from senior buying positions, thirteen vital brand attributes buyers consider at different stages of the buying process from suppliers. These attributes are similar to the tangible and intangible attributes presented in Table 3. The following table demonstrates the findings of their study.

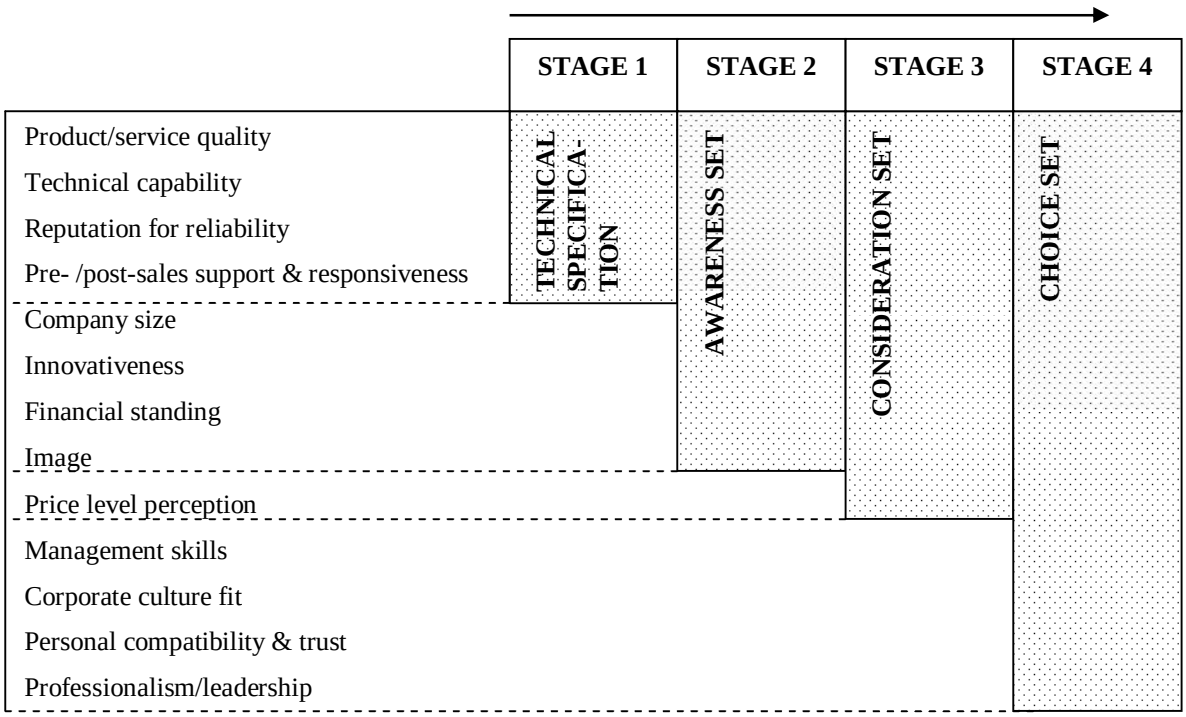


Table 4. Brand attributes related to each stage of the B2B buying process (Thompson et al. (1997/98)

Thompson's et al. (1997/98) findings show, that even at the technical specification stage (the first stage in the buying process which is arguably the most rational part of the buying process), the intangible attributes of industrial buying have been insufficiently acknowledged (see attributes such as reputation for reliability and responsiveness). In the second stage, the awareness set of B2B buyers is mainly driven by reputation – reputation on financial standing, innovativeness and size. In the third stage, the consideration set, only the price is considered a further attribute in addition to attributes already present in the previous stages. Branding plays a large role in this stage, since strong B2B brands can command premium prices. In the final stage of the buying process, more intangible attributes come into focus. According to Thompson et al., the potential suppliers that last as being considered a potential choice all the way to the final stages of the buying process are the strong companies that master at problem solving and managing the more intangible attributes such as organizational cultural fit, personal compatibility and trust. Similarly, Webster and Keller (2004) state that it is the characteristics of the supplying firm that are likely to be more important than the quality of its products per se. This is

because the quality of products is “given”; the characteristics of the company as a supplier are often the key differentiators. Mudambi et al. (1997) also stress the company and its reputation as an important variable in delivering value to the customer. They state that industrial purchasers prefer to conduct business with companies that are relatively stable, successful, reliable and culturally compatible. Bendixen et al. (2004) similarly find that supplier reputation is one of the most highly rated attributes in choosing a supplier. This is particularly interesting since reputation is one of the cornerstones of branding strategy (Mudambi et al. 1997).

A Vision 2008 report conducted in 1999 by the Federation of Finnish Technology Industries stated that factors which are going to be emphasized by customers in the future relate to a supplier’s technical and organizational ability to cooperate, the ability to participate in the development of a product, the ability to cooperate in R&D and the strategic fit of the buyer and supplier (Kärki 2000, 18). What is more, a supplier is expected to be able to communicate and possess other international capabilities in order to cooperate with international customers-of-customers and units. This is an inevitable outcome of the globalizing environment in the supplier industry. What needs to be noted here is the highly intangible character of all these factors.

The B2B buying process holds within several attributes brought forward in this study. Overall, the emphasis on the intangible attributes in general, as well as on factors related to globalization is given more and more room in today’s studies on the B2B buying process. The traditional view of B2B buying being only rational, product-related and holding no role for intangible aspects or branding, is ever more challenged by literature, media and B2B managers. In all this, the corporate brand steps into the arena as a tool for differentiating the supplier from its competitors.

3.2.3 Characteristics of the B2B sales & delivery process

Unlike most consumer purchases, the complexities of industrial buying often demand personal forms of communication before, during and after a purchase decision (Morris et al. 2001). In an industrial, often complex, buying process, these personal communications

and relations increase the knowledge of one another (buyer and seller) and help to establish an important attribute in the supplier context, trust, between individuals (Ford 2001). However, these personal forms of communication do not rest solely on the sales force or management level of the supplier. Ever more often, the supplier's production units are in direct contact with the customer during the sales and delivery processes. The importance of production units' interaction with other corporate functions and also directly with the customer is brought forward by several academic authors in the area of supply chain management and the management of industrial buyer-seller relationships.

3.2.3.1 Sales force

For a supplier, the sales force is the most important physical link and the front line in relationships between the supplier and buying organizations. As the role of collaborative relationships with a reduced number of key suppliers is considered ever more important by buyers, the capabilities of the sales force are becoming a crucial asset for a supplier. In short, an industrial salesperson can be characterized as playing *at least* four roles (Morris et al. 2001):

- Crusader for the company's cause
- Market researcher
- Negotiator
- Consultant or problem solver.

Industrial selling requires many skills from an individual. A salesperson must be able to communicate with a variety of people from many different backgrounds and orientations, "speak the language" of many functional areas (e.g. engineering, production, finance, purchasing), adapt to a wide variety of selling situations, build and harvest long-term customer relationships and negotiate favourable terms to the supplier in a variety of business areas (Morris et al. 2001). Of these, building and managing long-term relationships to customers is perhaps the skill that is needed most in today's changing supplying activities and the trend toward a reduced number of suppliers.

Industrial sales and the actions of a salesperson are not directed at an organization, but rather to specific representatives inside the buying organization. The sales force must determine the interdependencies among various representatives of the buying organization in order for their work to be efficient. As mentioned in Chapter 3.2.2.1 on the decision-making units (DMU's) inside buying organizations, the purchasing department may interact varyingly with several other departments when reaching a purchase decision. How these relations and connections function in the buying process is vital for the sales force to be aware of. In addition, the sales force should attempt to identify any differences between the customer's formal policies and structure and the manner in which things are actually done (Morris et al. 2001. In this sense, the sales force should be able to "spy" on the procedures that go on inside the customer's organization and structure.

From a branding perspective, the sales force play a major role in communicating the corporate brand towards the customers. The importance attached to the personal selling function in business markets means that there is a pervasive need to understand the brand communication process that takes place in the salesperson-customer dyad (Lynch & de Chernatony 2004). Lynch & de Chernatony highlight the external communication of brand values through the sales force. They state that, despite broad research on personal selling, there has been little investigation into the critical role that the industrial salesperson plays in communicating brand values. As they note, the dyadic nature of the sales encounter has direct implications for the way in which brand values are experienced by customers, with the skills and abilities of the sales force playing a key role in brand communication. As the understanding of how B2B customers perceive the corporate brand will be key to future management decisions (Mudambi 2002), the sales force's role as a crusader for the corporate brand cannot be underestimated. As long-term collaborative relationships between suppliers and customers are a trend and the sales force is the most important physical link in these relationships, the sales force play a major role in corporate brand communication today.

3.2.3.2 Interaction between sales, production and the customer

Parallel to the development of long-term, collaborative technical relationships discussed in Chapter 3.2.1.1, the demand on supplier deliveries is increasing dramatically. Automotive assemblers, for example, require deliveries from main suppliers several times a day. This trend places increasing pressure on suppliers' production, and the production units' operations become critical to the performance of customers (Larsson 2000).

In the sales and delivery process, the importance of the production units' interaction with other corporate functions, such as sales, and also directly with customers is acknowledged by several authors (e.g. Chase et al. 1992, Konijnendijk 1993, Larsson 2000, Youngdahl & Loomba 2000, Parente et al. 2002). Ever more often, the production units of the supplier are in direct contact with the customers. Thus, it is not only the behaviour of the sales force, but also the manner in which the production units operate, that has an effect on overall customer satisfaction and the image of the supplier. This implies that besides the sales force, the production units also play a role in communicating the corporate brand towards he customers.

However, there are differences in the sales-production-customer interaction relationships depending on the type of product, component or service produced. The supplier units have a different role with the customer depending on the type of product that is being produced. An engineered-to-order product generally requires more interaction between production personnel and the customer than a made-to-order product or a made-to-stock product. Made-to-order products require more interaction between the sales force and the customer, while made-to-stock products are usually standard products and interaction needed with the supplier is not that comprehensive. An engineered-to-order product is the type in which the customer plays a significant role in the design or engineering of the product together with the production or engineering personnel. (Parente et al. 2002)

The results of the study by Parente et al. (2002) prove that the more complex and customized the product or component manufactured by the supplier is, the more there is interaction by both the supplier's sales function and the production function with the

customer. In these situations, the salesperson usually negotiates the sale and then backs off to allow the production personnel and the customer to go a bout the business of designing and producing the product. If the product or component manufactured is fairly simple or standard, the customer is not usually in contact with the production units or plants, and deals with the supplier mainly through the sales force. To conclude, in both engineered-to-order and made-to-order products there is also a link between the production and customer, while a standard made-to-stock product case is usually dealt with simply by the sales force. The following figure explains the interaction interfaces between sales, production and the customer with regard to different product types.

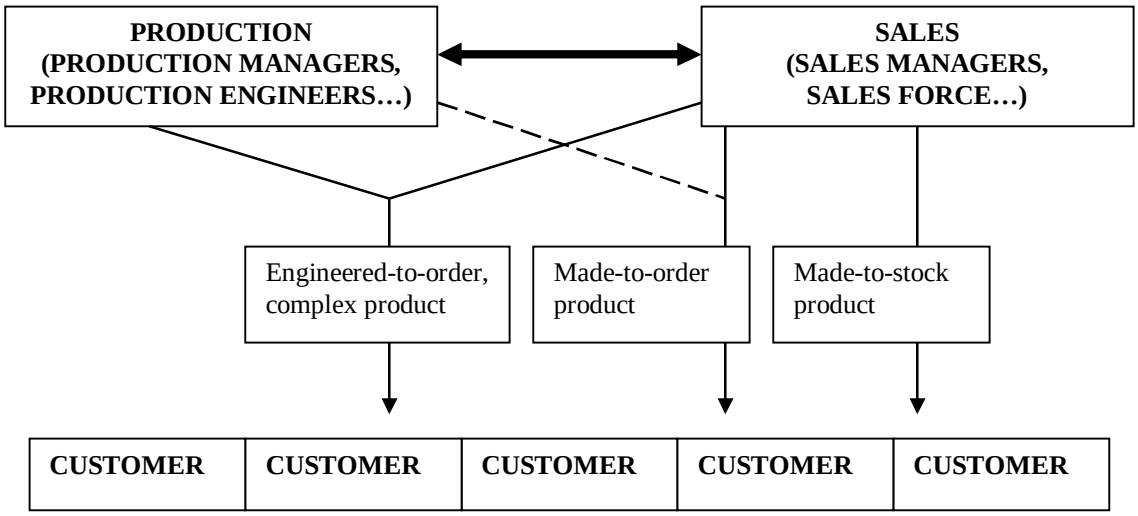


Figure 6. Production– sales– customer relationships and different types of products (Modified from Perente et al. 2002)

Especially regarding suppliers that manufacture complex components or products, the production units should work closely in collaboration with sales and other organizational departments to guarantee customer satisfaction (Larsson 2000). Coordination between production and sales needs to be tackled in a very structural way – cross-functional team cooperation is vital not only to the successful implementation of projects but also to the performance of the organization in general (Pinto et al 1993; ref. Parente et al. 2002). For example, the Vision 2008 report by the Federation of Finnish Technology Industries emphasized the supplier's ability to participate in the development of a product and the ability to cooperate in R&D with the customer (Kärki 2000, 18). As this implies the

development of new, more complex products or components, the production units' interaction with sales and directly with the customer are again emphasized.

However, it is commonly recognized that many conflicts may exist between the production and sales functions in an organization. For example, conflicts between sales and production can arise in matters related to the information flow within the organization, and also between the organization and its environment. Although many companies recognize problems between these two functions, few actually try to improve them (Konijnendijk 1993). Today, as it is not only the behaviour of the sales force, but also the operating manners of the production units, that have an effect on overall customer satisfaction and the image of the supplier, the sales and production functions should work smoothly together trying to aim at a common direction. This issue can also be highlighted from the suppliers' R&D capability perspective, as well as from a general branding perspective. As R&D capabilities are highlighted ever more by today's customers, there is a need for production engineers and other production personnel to cooperate with the customer and together with sales. As Parente et al. (2002) conclude, activities that improve the relationship between sales and manufacturing actually enhance the customer's perception of satisfaction. As the behaviour of both sales and production has an effect on customer satisfaction, there is a need to consider branding issues from the perspective of both these organizational functions.

Since the production units are often located away from the headquarters and thus the sales function, it is not highly surprising that conflicts between sales and production can arise in matters related to the internal information flow. From the customers' point of view, they are in contact with two possibly very different "departments" of a single supplier. From the corporate branding point of view, creating a unified corporate brand image into the mind of the customer might thus emerge as a challenge.

3.2.3.3 Production as separate business units – effects on corporate branding

For large global suppliers, the production units are often organized as separate, highly independent business units. Considering corporate branding matters in this light, the issue on how strongly business units are willing to operate under the corporate brand might emerge. According to van Riel & van Bruggen (2002), relatively often the vision about the role of the corporate brand of corporate managers does not match with the vision of business / production unit managers. While corporate level managers advocate a clearly visible presence of the corporate brand, most business unit managers might favour a weaker endorsement by the corporate brand. If top management of a corporation decides that is wants to strengthen the corporate brand in its overall communication, it is extremely important for corporate management to understand the drivers of the attitudes of business unit managers towards the corporate brand. They should also comprehend when and why business unit management attitude towards a strong corporate brand will be positive. Developing this understanding can be achieved by evaluating the following four organizational factors:

1. **The nature of the corporate strategy**
2. **Internal organization (degree of centralization in planning and control)**
3. **Degree of organizational identification**
4. **External prestige of the corporate brand**

As mentioned previously in Chapter 2, corporate branding and strategy are entwined. Returning again to this issue, van Riel & van Bruggen (2002) argue that the more the corporate strategy **(1.)** emphasizes the cooperation or similarity of its constituting components, the larger the organization's need to focus on uniformity in its communication. Uniformity will be easier to achieve if the scope of the activities of business units is comparable or complementary. The higher the degree of strategic fit between the activities of a business unit and of the corporation the business unit belongs to, the higher the willingness of the business unit to use the corporate brand. In addition to strategy, the internal organization structure **(2.)** influences the acceptance of a strong

corporate brand. A high degree of endorsement of the corporate brand implies strong (centralized) coordination of communication policy. Therefore, the higher the degree of centralization in decision making, the higher the willingness of business unit management to use the corporate brand. The third organizational factor that can be used in evaluation has to do partly with corporate culture – employees identify with the entire organization but also with their business unit or other realistic organizational section, i.e. department. Van Riel & van Bruggen argue that the higher the degree of organizational identification **(3.)** with the organization as a whole relative to the degree of identification with the own business unit will result in a higher willingness of business unit management to use the corporate brand. What needs to be noted here is that communication is a crucial and feasible management tool to affect the underlying motives for identification. Communication can and should be used as a tool, for example, if an employee's identification is highly stronger towards his/her own business unit rather than the corporation. The final factor that will affect the willingness of business unit management to use the corporate brand is its perceived external prestige **(4.)**. Perceived external prestige represents how employees think outsiders view the organization (and thus themselves as a member). Members may feel proud to belong to an organization that is believed to have socially valued characteristics. Thus, a high level of perceived external prestige of the corporate brand will result in a willingness of business unit management to use the corporate brand. In other words, the external reputation of the corporation as a whole has a large meaning to business unit employees.

By using these four factors in evaluating the use of the corporate brand from the business units' perspective, the corporate management acquires valuable information on how the corporate branding process should proceed. If the steps indicate that the use of the corporate brand in business units is not attractive, corporate management can improve the circumstances in order to develop a more appropriate context for a uniform corporate branding policy. According to van Riel & van Bruggen, the circumstances can be improved by spreading internally positive information about the company as it is communicated externally, by improving the quality of the communication climate and by intensifying external communication aimed at improving corporate brand reputation. It is

important to allow middle management to express their views and take them seriously in final decision-making about the desired corporate branding strategy.

To sum up, in decisions on corporate branding strategy, the attitudes and opinions of the business unit management level should seriously be taken into consideration to guarantee a successful realization of the corporate branding process.

3.2.4 Global supplier branding – can it work?

The B2B branding discussion so far, including research on corporate branding, has not covered much of the variety of companies and offers. A large part of what can be considered the B2B market has been left out of the discussion (Blombäck 2005, 42). What this thesis tries to contribute to is how corporate branding can be exploited in the global supplier context. This is a controversial context in the minds of many, since suppliers' offers are almost never visible to the end consumer, so they cannot use their brand awareness in the consumer market as a competitive advantage towards their industrial customers (Blömbäck 2005, 41). Also, the dynamics and tensions between organizational functions and departments (mainly sales and separate production / business units) may complicate the creation of a unified corporate brand towards the external world.

When talking about suppliers, their offer however in many ways resembles a service. Suppliers actually offer the ability to and capacity to manufacture something on behalf of the customer. For example, if a certain component manufacturer's component has not been manufactured previously, it in itself can not be evaluated by a customer. Instead, exterior factors of the supplier's offer should be used for evaluation. Based on this logic there is room for branding in this market. (Blombäck 2005, 42)

Since there is a growing trend towards buying organizations to operate with only a reduced number of suppliers (i.e. key suppliers), relationships are geared toward a more partnership-like essence. This is why the management of relationships can also be considered a very important input for branding on the strategic level of suppliers. Ahmad

& Buttle (ref. Blombäck 2005, 52) present an array of writers who all indicate that interaction and relationships can add value to the basic product an industrial actor is offering. Since personal selling and interactions between the company's service people and customer are at the core of B2B marketing, relationships to customers are clearly of the utmost importance to a firm (Lynch & de Chernatony 2004; ref. Aspara 2007, 11). Thus, when considering branding, the relationship aspect between the supplier and its customers should be taken into consideration as one cornerstone of the corporate brand. As mentioned earlier, the sales force plays a major role in communicating the brand towards the customer. Also, production units' role in creating an image in the minds of the customer should not be underestimated. But, besides customers, also decision makers, product users, the general community, the company's neighbours, own employees, potential employees and policy-makers should be considered central target groups of branding (Blombäck 2005, 28). The branding of these suppliers should hence be focused on their primary customers and other external stakeholders. As mentioned in Chapter 2, it is vital that a corporation today communicates to multiple stakeholders.

Despite the grown interest in brands and corporate branding in the B2B arena, in the industrial supplier context, as Blombäck (2005, 325) finds in her dissertation, the brand concept it still often narrowly understood. This implies a brand being understood as mainly its elements i.e. visual identification, as discussed in the earlier chapters. Consequently, what needs to be researched first also in this study is the current comprehension of the brand concept in this specific context. The next chapter presents the conclusions of the theoretical part of the study and the framework on which the empirical research discussed in Chapter 5 is based on.

3.3 Conclusion and framework for the study

As mentioned in Chapter 2.5, there are four areas in corporate branding that are stressed most by theory. These are:

1. **Strategy and corporate branding are entwined**.
2. **Internal focus is necessary.**

3. **A corporation must communicate to multiple stakeholders**.
4. **Corporate branding is a process**.

What corporate branding comes down to in the end is the conscious strategy to affect the image in the minds of multiple stakeholders. Corporate branding incorporates aspects of the management of **corporate identity, corporate image** and **corporate reputation**. Additionally, **corporate culture** acts as a context for corporate branding. At the core of corporate branding lies the corporate brand identity concept, the vehicle that guides the brand-building program. As mentioned before, if a company has not defined its corporate identity properly, there is little chance that effective brand building will occur. This is why any attempt in pursuing corporate branding should start with a clear description of the corporate identity. This is also why the framework of this study is mainly based on this vital, internal concept. Still, there is little advantage in an organization having a favourable corporate brand identity if the corporate brand image and reputation are bad. The framework also includes these concepts, as they represent the "outcome" of the brand-building process that stems from the corporate brand identity. Regrettably, corporations are often only interested in images and reputations, forgetting the internal identity from which image and reputation both stem from and which they both can consistently be built on.

From the strategic perspective, corporate branding requires the involvement and commitment of top management. The corporate brand can not be managed in a vacuum isolated from other corporate functions, but it must relate to the strategy of a corporation. To bring the understanding of the corporate brand to a strategic level, the framework illustrates the building of a corporate brand identity based on **the corporate strategy and mission**.

In a global supplier context, fairly recent changes in the environment were found that unquestionably affect the corporate brand management in this arena. **Close, long-term collaboration relationships** between buyers and key suppliers have become the decisive factor and a strategic asset in supplying today. This is why sales and other functions, such

as production, in close contact with the customers unavoidably become vital crusaders for the supplier's corporate brand. **The role of production & sales in corporate branding** should not be underestimated. In addition to these changes, **globalization** has increasingly broadened into the supplying activities of firms, and thus suppliers face the growing demands of becoming international or global players.

The framework for this study brings together the most relevant aspects in global corporate brand management (presented in Chapter 2) and the characteristics of the B2B supplier buying, sales and delivery processes (presented in Chapter 3). Since corporate branding is studied in a B2B context in this study, it was seen vital to include characteristics of the B2B buying, sales and delivery processes that take place in such an environment. The interaction between sales, production and the customer was found important for this study, since it offers vital indications for the corporate branding process. The roles of sales as well as production (in addition to other corporate functions) are imbedded in the study's framework. In short, the framework aims to connect corporate brand theory with the global industrial supplier context.

To sum up, the framework takes into consideration the following vital aspects in corporate brand management for a global supplier:

- **Communication of the corporate brand both within the organization (the importance of internal focus) and externally**
- **Corporate brand building as a process**
- **Corporate brand identity as the vehicle that guides the process**
- **Multiple stakeholders as an audience for the corporate brand**
- **Sales-business unit-customer interaction and role in communicating the corporate brand towards a supplier's customers and other external stakeholders**

The framework for the study is presented on the following page.

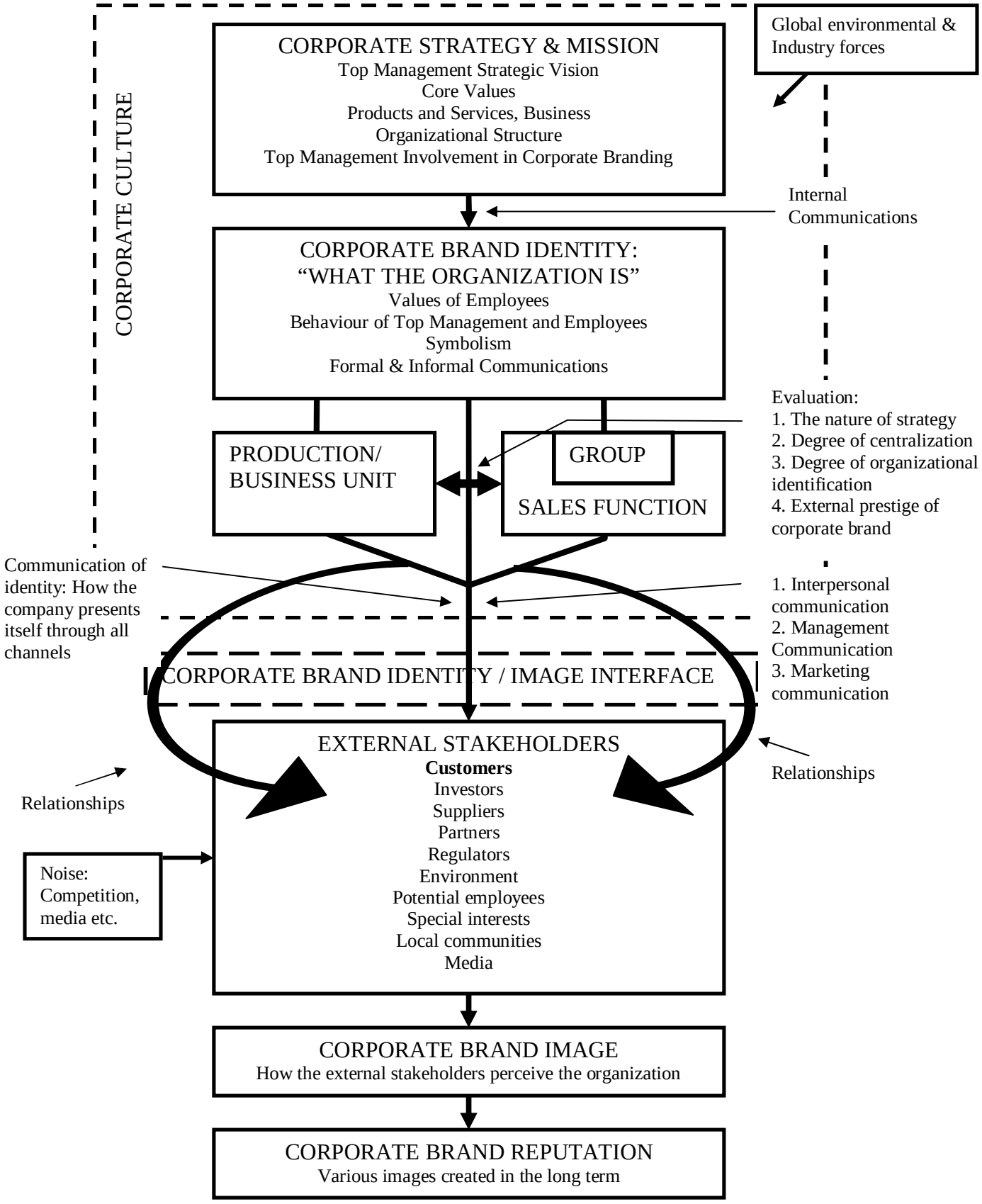

CORPORATE CULTURE
CORPORATE STRATEGY & MISSION
Top Management Strategic Vision
Core Values
Products and Services, Business
Organizational Structure
Top Management Involvement in Corporate Branding
Global environmental & Industry forces
Internal Communications
CORPORATE BRAND IDENTITY:
"WHAT THE ORGANIZATION IS"
Values of Employees
Behaviour of Top Management and Employees
Symbolism
Formal & Informal Communications
Evaluation:
1. The nature of strategy
2. Degree of centralization
3. Degree of organizational identification
4. External prestige of corporate brand
PRODUCTION/ BUSINESS UNIT
GROUP
SALES FUNCTION
Communication of identity: How the company presents itself through all channels
1. Interpersonal communication
2. Management Communication
3. Marketing communication
CORPORATE BRAND IDENTITY / IMAGE INTERFACE
EXTERNAL STAKEHOLDERS
Customers
Investors
Suppliers
Partners
Regulators
Environment
Potential employees
Special interests
Local communities
Media
Relationships
Relationships
Noise: Competition, media etc.
CORPORATE BRAND IMAGE
How the external stakeholders perceive the organization
CORPORATE BRAND REPUTATION
Various images created in the long term

Figure 7. Corporate branding process model for the global supplier context (Constructed with aid from: Lynch & de Chernatony 2004, Kuusela 2003, Hatch & Schultz 2003, van Riel & van Bruggen 2002, Stuart 1999, Balmer 1998)

In the empirical study, the aim is to use this framework as a basis in investigating how corporate branding can be applied in a global supplier context. The framework is used as a basis for the case study discussed and analyzed in the empirical section of this study. The framework is applied in order to find out how these issues affect the corporate branding process in the case corporation.

4 METHODOLOGY

In the remaining parts of the study, corporate branding is studied in practice with the aid of a chosen case company, a global metal component supplier. Benchmarks from other industries are also used as practical clues, not in-depth contributions. In this chapter, before the analysis of the actual empirical data, the methodology for the study is presented. This is done by justifying the research approach chosen and describing the data collection and analysis methods. The validity and reliability of data are also assessed at the end of this chapter.

4.1 Research design

Since qualitative research enables finding and examining profound and deep knowledge (Alasuutari 1994, 203), the qualitative type of study was seen most suitable for exploring the corporate branding issues in the study's context. Qualitative research, as opposed to quantitative research, encompasses a variety of methods that can be applied in a flexible manner to enable respondents to reflect and express their views or to observe their behaviour. Qualitative research seeks to encapsulate the behaviour, experiences and feelings of respondents in their own terms and context (Malhotra & Birks 1999; ref. Koski 2003, 46). Qualitative study can also be described as interpretative; its researchers rely more on intuition and they work to keep attention free to recognize problem-relevant events. Qualitative research is attuned to the fact that the research is a researcher-subject interaction (Stake 1995; ref. Kuusela 2003, 61). Choosing a qualitative approach for this

type of study is also in line with Balmer's (1996; ref. Balmer & van Riel 1997) affinity audit, which is also used for revealing the corporation's identity, and also with classic corporate identity consultants, who according to Balmer & van Riel (1997) use the type of research that requires wide access to the studied organization under the study and relies exclusively on qualitative methods.

Case study

A case study research methodology is considered appropriate when little is known about the phenomenon, or unseen findings in a previous study suggest a need for a new perspective (Eisenhardt 1989; ref Koski 2003, 46). The main advantage of qualitative single-case study is its ability to provide full and in-depth insight into dynamic phenomena in organizations (Miller & Friesen 1982; ref. Kuusela 2003, 62). Because corporate branding in a B2B supplier context is a relatively under-researched area, the case study approach was seen most suitable. This study was carried out mainly as a single-case study with wide access to the case study organization. A case company from the metal supplying industry was chosen for the purposes of the study. In addition to the thorough single-case study, benchmarks and examples on other companies from secondary data was gathered to provide additional insight into the matter.

To provide additional insight into a research area not yet thoroughly studied, benchmarks from other industries and companies were exploited. Since the main focus of the empirical study was fulfilled by the case study and the main data gathered from the internal interviews, only secondary material was used to gather information on benchmarks.

4.2 Data collection

Data for this study was collected within the case company through internal interviews and organizational documents. Additional data was gathered from secondary data in the form of corporate branding –related company examples, i.e. benchmarks.

4.2.1 Internal interviews

The primary qualitative data was gathered during summer 2007 by conducting 10 semi-structured interviews inside the case organization. A total of 10 key persons were interviewed between June 7th and August 30th 2007. This amount of interviews was seen sufficient, since during the last interviews a certain saturation of data had already developed. The interviewees represented several top management positions; the senior vice presidents of all divisions of the case company, the senior vice president of sales and product development, the senior vice president of business development, the senior vice president of human resources and sales directors were interviewed. Country sales managers and one business unit director were also interviewed. The interviews were conducted in reference to the framework presented at the end of the theoretical part of this study; in order to find out how the brand concept is perceived, whether corporate branding in the supplier industry is seen useful in the future in addition to more detailed, company-specific communication issues. Also, changes or developments in the industry that call for more communication and the exploitation of the corporate brand were addressed. The personal interviews form the primary and most important source of data in this study. By pointing out that the study is a qualitative interview study the idea is to emphasize the importance of each individual interview, in terms of representing a picture of a certain phenomenon.

The interviews were carried out either as face-to-face discussions, video conference meetings or telephone interviews. All interviews lasted approximately one hour and were conducted in Finnish or English depending on the nationality of the interviewee. Finnish respondents were interviewed in Finnish and foreign respondents in English. All foreign representatives spoke fluent English, so the danger of misunderstandings and misinterpretations was minimized. The interview structure and themes were not slavishly followed, but gone through with all the interviewees in varying order, so that the interviewees were freely let to discuss the topics in a natural order.

In all cases, the interviews were recorded with a digital voice recorder so that the interviewer could fully concentrate on listening to the interviewee and pose additional

questions to further deepen the understanding on the topic. After the interviews, the discussions were saved on computer and each interview was transcribed word by word to avoid any data loss.

The interview structure and themes are based on the framework of the theoretical part of this study. Brand concept definitions, corporate identity issues, internal communications & corporate culture, company history and sales/business unit interaction in proportion to the corporate branding issue, industry changes and strategic challenges were thus the main themes in the interviews. In addition to the aid provided by the theoretical framework of the study, the ACID test of corporate identity management (Balmer & Soenen 1999) and research questions used by Blombäck (2005, 359) were used as preparatory backbones in formulating the guiding interview questions. Furthermore, tenets provided by Parvinen et al. (2007) were used as background support in the interview question formulation process. The interview structure and tentative questions are presented in Appendix 1.

4.2.2 Additional sources for data

Secondary data

In addition to the primary qualitative data gathered by internal interviews, written company documents were used as secondary data for the research. Annual reports, general company brochures, formerly conducted questionnaires, organizational charts and other documents were viewed and used in order to gain additional information and confirmation on studied issues.

Benchmarks

Benchmarks, i.e. examples from other companies, were gathered in this study to provide additional insight into the matter of corporate branding. Benchmarking is the process used in management in which organizations evaluate various aspects of their processes in relation to the best practice, usually within their own sector. This then allows organizations to develop plans on how to adopt such best practice, usually with the aim of increasing some aspect of performance. Benchmarks were found from other industries or

business areas, since corporate branding in the context of the study, B2B suppliers, is a relatively under-used tool. Benchmarks are used as additional insight to deliver suggestive, practical implications, not as precise guidelines which could bluntly be followed or adopted to the context of the study. Thus, the benchmarks offer limited cues in the corporate brand building and management process, and can not as such be used to develop a ready, partly "copied" process for the execution of the corporate brand.

4.3 Data analysis

The process of data analysis produces the main claims that form the core of research reports (Sapsford & Jupp 2006). The data analysis in qualitative research is consistently conducted from a certain theoretic view (Koski 2003, 48), which in this study is the framework for the study. Thus, the empirical data of this study was analyzed by relying on the theoretical framework that led to the study.

The analysis strategy of relying on theoretical propositions was performed for the data using headings derived from the prior theoretical framework. The framework thus provided logical labels under which to consider and organize the data. This approach to case analysis is especially relevant in studies where the aim is to focus on a more in-depth study of specific areas in particular context (Carson et al 2001; ref. Koski 2003, 49). In Chapter 5 on the empirical analysis, quotations from interviewees are extracted. The purpose of these quotations is to illustrate the degrees of perspective, highlight strong opinions or attitudes, or to present divergent views that are not in line with the general shared view. With the quotations the aim is not to justify the presented interpretation but to illustrate the characteristics of the data. The quotations remain anonymous to prevent unpleasant or unwanted internal encounters.

4.4 Validity and reliability of data

Silverman (2001; ref. Blombäck 2005, 125) points out how qualitative research needs to take questions of credibility seriously in order to fight off the critics and to function as a creator of valid knowledge. There are four general criteria for judging the quality

(validity and reliability) of research design: construct validity, internal validity, external validity and reliability (Yin 2003, 34).

According to Yin (2003, 36), construct validity can be increased by exploiting several sources of evidence, establishing the chain of evidence and having key interviewees review the draft case study report. In this study, several sources of evidence were used (internal interviews, case company documents, internal questionnaire responses, observation), and the chain of evidence was established. All interviewees did not review the case study report before the final report was handed in. This decision was made due to the length of the text and thus the risk that interviewees might disregard reading it due to time restrictions or other motives. Since the study is mainly built on direct quotes, the statements related to the interviewees were partly confirmed through the literal transcriptions of each interview. Certain parts of the text were asked to be verified by one interviewee who supplied the main input for them in his responses. Also, the study draft was revised by the company's representative supervisor, the communications manager, to prevent any mistakes or misunderstandings relating to the case company.

Internal validity refers to establishing a relationship, where certain conditions are shown to lead to other conditions (Yin 2003, 36). In this study, the data was carefully analyzed using the analysis strategy of relying on theoretical propositions.

External validity is also referred to as generalizability or transferability (Blombäck 2005, 128) of the findings. This measure of quality is harder to evaluate in this study since only one case study is executed. However, in qualitative research the question of external validity does not generally relate to statistical generalizations about a population since the sample is seldom random or large (Blombäck 2005, 128). In this study the external validity is increased by using a theoretical base and analyzing the case thoroughly.

The reliability of qualitative research involves detailed documentation of the research process, recording and transcribing interviews literally and including direct quotes in the research report (Blombäck 2005, 126). The goal of reliability is to minimize errors and

biases in the study (Yin 2003, 37). In this study, each interview was literally transcribed and the use of quotations is extensive in the report. The study also includes explanations of the research process.

This study, conducted as a qualitative case study, will not render statistically supported assumptions that are general for a population. The findings are context bound and also situation specific to some extent – this means that although the results are not true for all suppliers, indications for other similar companies can be found. The following chapter presents the findings and analysis of the empirical qualitative study.

5 GLOBAL CORPORATE BRANDING AT THE CASE COMPANY, A METAL INDUSTRY SUPPLIER

The theoretical framework and tenets will be examined in more detail with the aid of a chosen case company from the metal industry. A global metal supplier which has grown immensely mainly by acquisitions was the company chosen for the purposes of this study. This chapter presents the empirical findings based on the qualitative case study. Due to the sensitive nature of information provided here, the case company will remain anonymous throughout the study.

5.1 The case company

The case company is a metal industry supplier. Because of the delicate nature of information provided in this study, a more detailed description of the company is restricted.

5.1.1 Corporate strategy and mission

As mentioned in Chapter 2 on corporate branding, the strategy of a corporation and corporate branding are entwined. However, due to restrictions on anonymity, the case company's strategy and mission will not be elaborated in detail here. Only the organizational structure will be presented shortly.

Organizational structure

The organizational structure of the case company is mainly matrix, and business is divided into several main business divisions. Under these divisions are business units that form independent legal entities. Because the production plants are now under one same division, it was mentioned by an interviewee how now for the first time, the case company has the possibility to unify the modes of operations in these business units. On the other hand, the streamlining of the divisions i.e. grouping business units both under their own organizations has complicated the formation of natural business chains.

> "The difficulty nowadays is that we don't have such so-called natural chains. We should put all the units together entirely, and that will then become too big. We don't, so to speak, have a chain small enough."

However, as the company has grown (by acquisitions) immensely during the last years, streamlining the organization to optimize production and operations between the units has been an inevitable development step.

5.1.2 Growth by acquisitions – fragmentation issues

The case company has, during several years, mainly grown through acquisitions. Because of acquisitions, the company is now addressing the streamlining of the corporation by also considering issues related to corporate branding.

The growth of the corporation by acquisitions can be seen both as an asset and as a disadvantage. All respondents share the view of company history being an advantage and a strength business wise – the advantages of the history relate to for example information that can be gathered on customers and markets. There are many units working all over Europe "on the same side of things". However, at the same time all feel that there are issues to be tackled relating to the company being relatively fragmented at the moment. Problems relate to acting with the same face towards customers – the main issue is how to make one unified company out of all the acquisitions. This is not a matter of only

combining the latest acquisition and the rest of the group, but there is a need to readjust the activities and operations of all business units.

> "The problem we have, I don't think our company has grown from 'a house of production plants'."

The company has grown through acquisitions during a time span of several years. This has inevitably resulted in internal issues not getting as much attention as they would have needed. For example, the culture supporting the whole group's perspective in business making seems to be somewhat vague and missing, and instead there is a danger that the acquisitions have caused the culture of "business unit first, then the division and then the group" and thus sub-optimization exists. Now that the company is not actively looking for growth through new acquisitions, there are better possibilities to integrate not only the latest acquisition but all the business units to form a unified company. According to an interviewee from the sales organization, there is not yet enough emphasis on issues such as the sharing of best practices and standardizing aspects in the way of working.

5.1.3 Interest in managing the corporate brand

As the case company has gone through several changes in its structure, corporate branding issues have lately been on the table. The group has been engaged in strategy work focusing on e.g. how to unify the way to operate; branding has been discussed in the board meetings in 2007, the creation of a brand committee suggested in May 2007 and also, a marketing-related survey has been conducted internally during summer 2007. To sum up, a general interest in unifying the company's ways of working towards the outside world could be observed at the start of this study in late spring 2007.

According to Blombäck (2005, 265), branding should be discussed and decided upon by top management and board of directors. Since branding has been discussed in the board meeting and the creation of a brand committee has been suggested simultaneously, it can be mentioned that the case company has intentionally begun the work on corporate branding.

The case company 'way of working'

The company's corporate executive team has been engaged in strategy work on "how to make one company from all the acquisitions", reviewing businesses, functions and ways to operate. In August, the group released an internal "guide" on 'the company way of working', the company's operational management model, which describes how the group should manage its operations internally, how the group is organized towards the customers to better meet their expectations and what the core roles and responsibilities are in execution of business strategies. This internally released way of working ties closely with the corporate branding aspect, as can be comprehended from the implications derived from the theoretical part of this study. However, there is also still a compelling need to align the company's communication aspect both internally and externally. Building a unified mode for the operations, actions and communications is probably the biggest challenge for the case company. Corporate branding is a relevant tool that is considered by the case company's management as aid in this context.

5.2 The corporate brand concept

As there is not even a precise common agreement among researchers considering the definitions of concepts brand and branding, it was seen vital to begin the interviews by asking the respondents' own definition of a brand. This way, it became more comfortable towards the latter parts of interviews to discuss issues knowing the level on which the respondents related to the concept, and also to understand their approaches, views and attitudes.

5.2.1 Perceptions of the brand concept

The respondents all have a fairly comprehensive understanding of what a brand is. It is reassuring the respondents mostly see brands as something more than only visual elements, i.e. logos or slogans. A brand is mainly seen as a promise of something, knowing what you get, and a means for differentiating yourself from competition.

> "…I think it means that if a certain product is under a certain brand, then positive images are associated with it. And then it always lives up to its expectations. Branding relates to creating images while marketing relates to sales promotion."

> "A brand is sort of… marketing needs to support the brand. A brand is a thing of a long period of time. First I thought that if I go visit a customer, that it is a kind of sales occasion, and it has nothing to do with the brand. But it does, it also creates the brand."

> "Brand is perception. How people or what people think about you…so maybe a brand is the answer to the question: how do you differentiate yourself from the others?"

There was only one respondent on top management level with a limited comprehension of the concept; he saw a brand being only a logo, a slogan or a design scheme that is associated with a product or service.

Despite the fact that the brand concept and its broadness are fairly well comprehended, differences seem to exist in whom exactly is supposed to be the external audience for the corporate brand. Views questioning branding actions towards customers emerged, as well as views that reflected only the importance of investors as the main audience of corporate branding actions. The fact that all stakeholders act as the audience for the corporate brand must thus be emphasized. The branding actions that must be taken towards these multiple recipients may differ, but it should be kept in mind that the corporate brand communicates to multiple stakeholders, and should thus be consistent whatever the stakeholder audience or channel in question is.

5.2.2 Views on the corporate brand in this context

When discussing a corporate brand relating to the specific context of a metal supplier, the main issue that was brought forward related to a unified company way of working as the main cornerstone of a (possible) corporate brand. As the case company does not offer any

ready products to the customers, it was mostly seen that a reinforced general way of working towards the customer (as well as other external stakeholders) could differentiate the company from its competition. Currently, as an interviewee mentioned, brand-oriented thinking is not yet realized. There does not yet exist a one common company.

> "I see that especially in our industry, in the metal industry, when we don't have products – the first idea of a brand is that it has to do with products. So, when we don't have products, in that sense a brand is not the same as in some other industry. I feel that it should, in our case, have to do with the **way of working** and the **way to distinguish us from competitors** in one way or another**...** I would see it is about a **total performance…** Talking with customers is only a small part of it. When an order comes in, we should strive to live up to expectations also after that; when the delivery of products begins, and quality, delivery times and communications. An outstanding way of working compared to for example competitors – that's when the brand would be in order."

> "… some kind of common **way of working**, that is probably a brand in our case… maybe it is in the way of working, but then in that way or working, what is the brand? That is a good question... I think it should be carefully considered, what our brand would be, so that we don't get lost in going by the book."

Despite the mainly comprehensive understanding of branding, attitudes towards the whole corporate brand concept with regard to the case company were partly doubtful. A general doubting atmosphere could be observed from a few respondents on whether creating a unified face for the company in terms of branding could actually bring any actual added value to the company. There were questionings around the issue of how much corporate branding might translate as general standardization that would kill creativity.

Traditional attributes vs. intangible attributes and differentiation

The traditional attributes in B2B markets influencing the choice over a supplier: price, quality and delivery time are no longer considered possible attributes on which a supplier could actively compete or differentiate itself. Rather, these attributes are requirements that buyers take for granted when evaluating a supplier. The differentiation from competitors should be based on additional values. This was well brought forward by interviewees.

> "The brand should not be about price, it should not be about delivery precision, it should not be about quality. It should be something else."

As in the above citation, several respondents pointed out how a brand should not be mixed with what are considered general supplier requirements. A management level respondent also pointed how someone could wise off about a supplier brand and argue that for example the accuracy of delivery is the brand – it can be part of the value-creating brand, but it is a general required factor at the same time, and the brand cannot alone be built on such general factors. This is in line with current theory on the attributes in B2B buying process, and the increasing role of intangible attributes in decision-making. Respondents, especially sales force, inside the case company did see the role of intangible attributes growing in their customers' decision-making patterns. When talking about the intangible value-adding attributes that could differentiate the case company from its competitors, there are many question marks in the minds of the respondents on what these should be.

> "It goes for granted that you are delivering in time, with good quality and good efficiency. So somehow we need to be a preferred supplier for our customer – so we need to be better in communication, we need to add value to our customer somehow. And I'm not sure how we should do it."

There is a general understanding that something should be done in terms of common ways of working and creating a common face towards the external world. As mentioned

in Chapter 5.1.3, the company has already released an internal guide on 'the company way of working' defining internal operations, organizational structure and roles and responsibilities of key personnel as the result of the corporate executive team's strategy work. What is not worked on, on a larger scale at all though is the aspect of corporate communications.

5.2.3 Current corporate brand

It is clear that the current image of the case company seems to rely on the traditional, but nevertheless important, attributes in the industry. In business making, the focus is on products and not intangible service-related aspects. This was brought forward by several respondents on different management levels. Also, the current image of the case company's brand does not have the best reputation, as mentioned by interviewees.

> "Currently we are talking a lot about delivery precision, quality and pricing – that's what our brand is today. And in the future we need to change that somehow."

> "We are a big amount of diverse units, not uniform... We are presumably considered a good technical discussion partner, and associated with delivery problems."

Besides bringing forward aspects of the current brand image, the following quote also relates to the growth of esteem in intangible attributes in customers' buying behaviour:

> "In the buying process, other factors do matter than hard values. The most important is perhaps the time it takes from when the customer sends an inquiry until he is answered. The customer likes to get information fast… Unfortunately the situation is reverse. Customers enquire tenders from us when they have already received them from competitors… We have quite a big and heavy tender process."

Absence of corporate branding actions

It seems evident that there is not much action going on currently in the company that could be referred to as (corporate) branding.

> "By the name branding, there is not a single thing known inside our company, that is absolutely certain. "

> "Now that we are integrating this latest acquisition, it is of course in a way part of it. What else we should do, that is a very good question. We haven't thought of the whole field."

Today, customers are not only willing to learn early about the products that are under development in a company, but they want to participate in the actual design or tailoring of products suitable for them. When talking about R&D, organizational capabilities are as much in focus as technical specs. Nevertheless, despite capabilities in this arena, it seems the case company's organizational capabilities are perhaps not brought forward enough. Today, there seems to be a very technical angle of vision into the issue inside the case company. As intangible attributes are being emphasized ever more by customers, stressing the organizational capabilities more in this context could improve the corporation's image.

There have also lately been problems in the whole industry regarding increases in raw material prices, so the reputation does not solely rest on internal aspects; also external influences have had their effect on the negative reputation of a "price increaser", as mentioned by a representative of the sales organization. Nevertheless, what seems evident from the response of an interviewee is the way in which these issues are communicated towards customers:

> "The difference between us and our competitors is that we have been really forcing this to the customers. That '*please take these increases or we will stop delivering to you*'. That's a little bit of a Finnish approach also I suppose… Our

competitors have been trying to negotiate with the customer a little bit more. But our **way of working** is saying that: '*ok, now we have this problem and this is the solution, take it or leave it*'."

Relating to responses from interviewees in the previous chapter on what a brand could and should be built on in this type of B2B industry, the main factor, way of working, seems is not currently standing on its best foundation. The highlights from several respondents on the case company still representing a 'house of production units' and having a Finnish approach in the way of working indicate that the mental mindset of the company has not developed side by side with the company's physical growth. Now, for the first time, as the major acquisitions are on the verge of being settled, there is a chance to concentrate more on the mental side of issues. The following table sums up the respondents' views on the current company way of working and ideas on the way towards which to develop in the future.

CURRENT CASE COMPANY	RESPONDENTS' IDEAS ON THE FUTURE
• Fragmented "house of units" • Finnish approach in working and customer communications • Local actor • Focus on hard facts: price, quality and delivery precision • Image of "price increaser" • No brand-oriented mindset	• Unified company with the same face towards external stakeholders • A more European-geared approach to negotiating with the customer • International actor • Focus on intangible attributes (organizational capabilities, consistent and prompt customer service, relationships with customers…) • More focus on post-sales service

Table 5. Current company and respondents' ideas on the future

5.3 Interaction between sales, business units and the customer

This chapter deals with one of the main issues in this study. The interaction between and roles of 1) the corporation as a whole 2) the sales function and 3) business units in the

corporate branding process were found central for this study. The case corporation is organized into 13 production units around Eurasia. In addition, the latest acquisition mainly currently functions as its own division. All these units are specialized independent business units and thus separate legal entities that have bottom line accountability (P/L responsibility). From a corporate branding perspective, this no doubt hinders the adoption of a common corporate brand identity and the transmission of a unified corporate brand. In this section, the sales process, the interaction between the sales function and business units and the effects these have on corporate branding are elaborated.

5.3.1 Sales process

The sales organization is divided so that each salesman is responsible for his or her appointed customers. It has been tried to clarify as well as possible to the customers who the contact sales person for them is in the company sales worldwide. As is characteristic to the B2B market, the customer relationships for the case company are in general long-term relationships. Relationships, such as those with large customers, often have strong and lengthy histories behind them.

At the start of the sales process, when submitting a request for quotation (RFQ), a customer is in contact with the appointed salesman. The salesman then searches for additional data for the request if needed, so that the calculation of costs can begin. After this, the information regarding the RFQ is forwarded to the customer center, which is basically in charge of which business unit's production line the requested article(s) would suit best. The customer center organization also comprises of cost accountants, who are primarily physically located in the business units. The material from the customer center headquarters is then sent over to these cost accountants, who calculate the costs. After this is done, all the information returns the same route to the appointed salesman, who prepares the final offer for the customer based on the calculations of the customer center. After this process, the actual commercial negotiations between the customer and the case company begin. The length of this process during the tender depends on the type of supply request the customer has transmitted. If the supply request is large and the deal consists of a bigger project as a whole, then the selected business unit's management,

product engineers, R&D personnel and other relevant key persons such as sales directors are in an active role helping the appointed salesman in the early stages of the sales process.

The sales process mirrors the theory by Parente et al. (2002) presented in Chapter 3.2.3.2, regarding on how production and sales are in contact with the customer and interact with each other. Basically, the more complex the article(s) to be manufactured, the more the production function is in contact with the customer already in the early stages of supplier-customer cooperation. This implies that the more complex the tender is, the more branding issues should be considered also from the business units' perspective.

After the commercial stage of the process when the tender is accepted, the salesman receives the order which is then, after checking, sent over to the selected business unit. After first prototypes are manufactured and checked, the whole order process is "released" to be handled between the business unit and the customer. This means that when making serial orders, the customer is in direct contact with the business unit and no longer communicates with the appointed salesman. In other words, the actual operational "relationship" (handling of orders, deliveries and other practicalities) that might take 10 years depending on the customer and articles delivered is in the hands of the business unit, not the sales force. Big customers certainly have ongoing new deliveries which require continuous contact with the salesman and possible other serial deliveries simultaneously from other business units. When talking about the supplier-customer relationship with large, strategic customers, it is mainly the appointed salesman and the business units that deliver that have an affect on the overall satisfaction of the customer. This is a highly relevant fact considering corporate branding.

5.3.2 The role of sales force in corporate branding

What has been brought forward in the theoretical part of this study is the vital role that the actions and behaviour of the sales force play towards communicating corporate brand values towards customers. Firstly, what emerged from the interview with the sales director was, at least a partial incomprehension of the sales force's way of

communicating with customers as a vital branding issue. Towards the end of the interview however, the meaning of corporate branding and the understanding of the sales function as part of it could be observed.

> "All the work you do on branding can either be reinforced by this customer interface or it can be broken down. And in some cases it will be reinforced because we have very good account managers who have very high social intelligence, and in some cases we have people who don't understand the concept of how to treat a customer… It's very bad for our image."

Another interviewee from a top management position understood aptly how sales contribute to corporate brand building:

> "The senior vice president for sales and product development and the sales directors have an exceptionally strong influence on whether our internal and external image, the brand, is being built right."

In the case company's case, there is a great variety on how salesmen act when dealing with customers. The following citation exemplifies the sales force's current way of communicating towards the customers:

> "It's all over the map. It's very different… Ultimately, most of the older salespeople, they only work in a reactive way. This means that when an RFQ comes, they start to act on that. And they talk with the customer… But talking about bigger things; finding opportunities, being earlier with the customer… is very little done. And this is something we really want to focus on."

The corporation wants to focus on the customer-oriented approach, meaning that the sales function should market solutions and applications to customers – not only make deals on certain components when an order comes in. Solutions and applications are really what the customers today are interested in. If only working in an irregular reactive way, this

goal will remain hard to achieve. Currently, there are beliefs that certain salesmen only feel that price per kilo, delivery time and quality of components – the hard product facts – matter to the customer. This is why the sales organization should primarily be educated as to the value of branding and the organization's role in delivering brand value. In addition to training the sales organization in fact-based knowledge, to have training in a systemized sales method and communication skills is required. Currently, there are hardly any training activities in the case company.

Similar responses that were mentioned by the sales director on the sales force's different approaches to customer communication were mentioned by nearly all respondents. History, as well as in the case of the whole corporation's consistency issues, is again a decisive factor in the operations of certain salesmen:

> "Each salesman operates in a different manner. Certain salesmen have been in the house for over 20 years, after having left from their production unit. They have their own history, background and a way of working. It depends on the individual how they are in contact with the customer."

In addition to behavioural aspects, also physical materials and other tangible tools that are used by sales force are inconsistent. A certain salesman might send a tender response with pictures, detailed calculations and information of the company, while another salesman's response might be both quality wise and appearance wise "nearly incomprehensible", as mentioned by an interviewee. This makes it difficult for the customer and also for salesmen to compare tenders if the customer gets assigned from one salesman to another. There is no base for tender responses in the case company. A general common toolbox for salesmen regarding materials that would be in line with the visual guidelines of the corporate brand, and guidelines on how to communicate that would be in line with the intended corporate brand proposition are lacking.

To sum up, the following improvement points in the sales force's actions towards customers can be identified:

- Lack of similarity in the level of customer service
- Lack of similarity in physical tools and materials (tenders, papers, presentations, clothing when visiting customers…)
- The partially reactive way of acting as opposed to a desired proactive approach in customer communications
- The understanding of intangible attributes in customers' decision making is not clear to all sales force
- The contact surface is mainly only between account managers and customers' purchasing personnel (technical people, R&D, logistics etc. should be seen equally relevant as customers' decision-makers)
- A toolbox of different materials for contacting different members of the customers' DMU, i.e. levels of customer decision makers, is missing

5.3.3 Sales–business unit cooperation

An interviewee mentioned an example regarding one of the biggest customers which has dealings with nearly all of the business units of the case company. For example, one specific unit (to whom this customer does not seem a large one because of a smaller amount of deliveries from that specific unit) might be delivering poor quality, not on time or with some other problems. The following citation dismantles well the importance to consider the business units' role in corporate branding:

> "So many times we excessively get complaints from the end customer, solely because 10% of the delivery has gone awry in some way. And this then ruins our entity."

The business units' operations towards the customer are of utmost importance not only from the operational level point of view, but regarding the corporate brand as well. As

mentioned by an interviewee, as much as approximately 95% of communication is done from he business units directly to the customers.

> "Sales guys, they are more or less acting like secretaries to the business units and they are of course responsible for the commercial deals with the customers. But all the rest of the communication is done directly between business units and customers."

The roles and most importantly, power relationships of sales, divisions and business units in business making are a demanding issue. There are contradicting views on this matter inside the organization – others feel that the power of account managers and sales force is too strong, while others feel the whole sales function should be strengthened in relation to division and business unit functions.

> "This is a complex issue. I have sometimes thought that the sales organization should be stronger and it could have a tougher role in making business on behalf of the **divisions**. That should be sharpened."

> "I think it's true that sales people need to involve business units more in the business making, and use them. Because the best salesman is the guy in the business unit who really knows what he's talking about."

> "It's important to employ salespeople, of course, but we should employ engineers who can bring the value added to the customer… Of course we must have key account managers but there has to be a mix, and the people working with development must also know our processes in the business unit. So they can give ideas to the customer, so we get the best of it."

Without going into organizational structure related strategic detail on this matter, what needs to be considered from the corporate branding perspective is the fact that all organizational functions mentioned above are in contact with customers, and thus play a

role in communicating corporate brand values towards this vital audience. Also, if engaging engineers more in the sales process can give added value to the customer in terms of a more customer-oriented, application- and solution-geared approach, then it should be considered also from the branding perspective. Additionally, this is why the business units should be made to understand who the strategic, important customers are from the whole corporation's perspective. As mentioned before by an interviewee, the company has not grown from a house of production units. This seems like a ruling mindset, even though there are practical and operational barriers hindering the unification of the company as well.

When asked about the cooperation and information flow between sales and business units, many pointed out that this should be improved.

> "Production thinks that they are just supposed to produce and sales think that they are just supposed to sell. But what you are selling is exactly what they produce and what they are producing is exactly for you to sell. So there should be the connection in between. But honestly speaking it should be improved."

According to the majority of interviewees, there should be more cooperation between business units and sales people in order to deliver the best possible level of customer satisfaction.

5.3.4 The role of business units in corporate branding

As well as sales force, the business units play a role in transmitting a desired image of the corporation towards the customers and other stakeholders. The friction in how much to unify the business units in terms of a unified corporate brand is a double-sided issue. This is probably the most demanding task for top management; to decide to which extent the corporate brand requires the unification of certain aspects of the otherwise independent business units.

> "I am of the view that it should not be taken that far, that the units work quite independently in the localities. Certain modes of action must presumably be unified, branded in a sense, but bringing forward a nominal brand name in the units and localities, that is money misspent. But then, what (should be done in units) towards our customers, that is a good question."

> "The trick is: how do you make it more a unified company without losing the entrepreneurial spirit?"

The process of keeping the business units independent while creating a unified corporate brand requires detailed consideration. A concern from management level was that if everything is unified in units, the independence and liberty of actions is going to be killed and soon the units will avoid their other responsibilities as well. As mentioned by van Riel & van Bruggen (2002) in the theoretical part of this study, management should comprehend when and why business unit management attitude towards a strong corporate brand will be positive. This is how the process of building a corporate brand should begin. Here, the four organizational factors that help management in developing this understanding will be evaluated in the case company's situation.

1. **The nature of the corporate strategy**

The higher the degree of strategic fit between the activities of a business unit and of the corporation the business unit belongs to, the higher the willingness of the business unit to use the corporate brand. The case company has recently sold units that are no longer part of its core business, and is thus concentrating more and more on its core capabilities. This implies a concentration on improving the strategic fit of the whole group. On the other hand, as the group has grown immensely by acquisitions (that have certainly also strengthened the group's strategic capabilities), there have mostly always been certain non-core competence related sections that have accompanied. Focusing on organic growth in the future also brings possibilities to strengthen the strategic fit between units and the corporation.

2. **Internal organization (degree of centralization in planning and control)**

As mentioned by van Riel & van Bruggen (2002), the higher the degree of centralization in decision making, the higher the willingness of business unit management to use and exploit the corporate brand. According to a recent internal study sent to division managers, business unit managers, sales managers, sales force and a handful of other key personnel, the corporation is evaluated on a scale as far more centralized as opposed to decentralized. In this aspect, the case company has a fairly advantageous position. However, in addition to centralized, the group is seen as more fragmented than homogenous. This view is supported by many interviews and the business units are highly independent in their decision-making since they are organized as separate legal entities. This is the main factor hindering the adoption of a common, unified corporate brand.

3. **Degree of organizational identification**

The higher the degree of organizational identification with the organization as a whole relative to the degree of identification with the own business unit will result in a higher willingness of business unit management to use the corporate brand. The case company's business units are highly independent and thus seem to identify mainly only with their own units, not the group as a whole. For example, it was mentioned by an interviewee representing the sales function, how it seems different if one goes and visits a certain business unit, that they have a clear own world compared to other units. It seems clear that units have their own identities with which they can identify, whereas the group as a whole is at least partially lacking its identity. The organizational identification issue relates highly with internal communication which is one of the problematic cornerstones for the case company. Improving the communication culture and the quality of the communication climate is one tool for reaching a better feel of identification with the whole group.

4. **External prestige of the corporate brand**

Members may feel proud to belong to an organization that is believed to have characteristics that are externally valued. Thus, a good perceived external reputation of

the corporate brand will result in a willingness of business unit management to use the corporate brand. As important as is enhancing the communication climate internally is also the evaluation of external messages that are sent against a developed corporate brand identity and a written brand proposition. Improving the consistency of external messages sent on the corporate level simultaneously with enhancing the internal communication climate, the business units' attitudes towards favouring the corporate brand can be improved.

"Rules of the game" for business units

However, even without considering the corporate brand –related strategic implications these evaluations propose, there are issues that require immediate attention in the business units' operations and especially communications. For example, the way in which the business units communicate to customers necessarily needs to be aligned. As mentioned by several respondents, both on top management level and business unit level, there are uncertainties, at least from time to time, in units on how they should act. There are no clear "rules of the game" for business units. Currently, the ways in which business units operate and communicate have very little in common with one another.

> "...Particularly in the level of customer communications. That varies hugely. For example, if a customer sends an enquiry to 7 different units, the response time and the quality of response differs wildly. From some unit there is no answer, and from certain ones it comes the next day and in a very customer-oriented, nice manner."

> "There is no consistent alignment. Starting from how price lists are formulated, what they look like, which terms are included, how invoicing is handled…"

As well as in customer communications, a director-level interviewee mentioned that there are inconsistencies in the general quality of operations on the business unit level.

> "We are just as good as our weakest link. Because many times it might be that the weakest link is the end deliverer (a specific business unit) towards the customer. If nothing works there, no matter what we do in the name of branding, we are just as good as they are. Then the customer phones throughout the corporation and blames us. It really doesn't help if on the other side of Europe there is another unit in top condition."

Concerning these aspects, it is important to deepen the understanding of the business units' attitudes towards using and exploiting the corporate brand. If considering the corporate brand in this context as a common "way of working", there are already positive indications from the business unit level towards instructions and guidelines for these. As mentioned by a business unit manager:

> "I think if the info and directions are very clear from the CEO, that 'we should work in this way', if we had this handbook of instructions, we could then do audits and check if everyone is working this way. I think this handbook, if we do the audit from the CEO down to the blue collars; I think we have a lot of opportunity to find a so much better way to work – and a common way to work."

This supportive view for designing general instructions for business units is supported by respondents at division level:

> "…Actually it comes from those certain rules of the game. If the manager of the unit is well in possession of those rules of the game, in such a way that *'this is how we in our company do and this I can say and this not* (towards e.g. local media)', it is then reflected into the whole organization. It must start from the manager there. The employees or office workers there in the units don't necessarily need to think about what is our unified brand. They must know that *'this is how we act'*."

> "It's sad to say but we need more routines. We need more bureaucracy in this company. We have a lot of routines and bureaucracy when it comes to the financial reporting… but for the rest we are lacking a lot of routines… So *'Do whatever you want as long as you're hitting the targets of the P/L'*. That's a little bit the mindset here now."

Communication between business units

In addition to power relations and communication issues between sales and business units, communication between the business units was a matter that was brought up in interviews. Concerning especially one of the biggest customers, there are issues between units that demand more open communication.

> "I think we have a problem here. We deliver to the customer, but the other specialized units are not talking with the customer, they don't feel the customer's needs and wants, because they are only talking with us (another specialized unit)."

This view is in line with a higher level respondent's view presented earlier in the beginning of Chapter 5.3.3 on the fact that some unit might not be delivering good quality because this customer might not seem important to that specific unit. The main issue here, according to an interviewee, is that there is too much sub-optimization due to the history of the group and the entrepreneurial ownership in the units.

Business units' local communications

Today, the amount a business unit communicates locally depends mainly on the business unit manager's interest to participate in social, communal or other events or to appear in media. There is no centralized, corporate guideline on how to tackle marketing-related issues on the business unit level. As this is a clear improvement point, there is also a somewhat observable doubt to how far business units should let communicate locally as they wish, and how far the corporate brand should be taken in this respect, in providing instructions. Also, the general importance of local communications for the company was belittled by certain respondents.

> "It depends on the managing director, if they're interested or not. It's totally home-made based on each managing director. But I think isn't it possible to be global and local? I think you need to be local also."

> "We must consider the interest groups of units there in the localities – how far we take this brand-thinking... They are maybe not so important to us, the neighbourhood or the local communities or the general public in the localities."

The global corporate communications that mainly support the corporate brand identity and that are sent and developed by headquarters should be managed on a different level than small-scale local communications handled mainly by business units. What needs to be done is evaluate each and every planned action (whether it is a global level campaign or a small local event) against the corporate brand proposition formulated from this (see Chapter 5.4.4) – this way, the local communications will not contradict the global messages sent and the actions will support the intended corporate brand.

> "Of course in the localities the neighbourhoods, the communities and authorities; we must have certain rules of the game for how to treat them in general… So that we don't bend over to them in another place and not in another – there should be some frames on how to treat them, whether to build relationships or not."

The improvement points in business unit level communications and ways of working can be summed up as follows:

- Lack of business units' organizational identification with the group as a whole
- Lack of similarity in the level of customer service
- Lack of similarity in physical materials (invoices, delivery packages, clothing, appearances and other materials in the units…)

- It generally depends on the business unit manager how communication locally is handled – this may vary hugely from business unit to another
- Lack of a general set of rules for business units, the "rules of the game" or instructions are missing
- Instruction base on how to treat authorities, the community, neigbourhoods and local media in terms of communications is missing

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5.4 Communicating the corporate brand internally

As mentioned in the theoretical part of this study, internal communication of the corporate brand is just as much part of the branding process as is external communication. The importance of all the communications of the corporation, the corporate brand identity, the shaping of corporate culture and employees' behaviour are strongly emphasized in this internal context. Somewhat more precise ways on how to communicate the corporate brand values internally according to Lynch & de Chernatony (2004) are corporate culture, internal communications and sales force training. This part of the empirical work concentrates on finding out internal issues to be tackled, corporate culture matters and the internal tool for corporate branding: the corporate brand identity.

5.4.1 Internal communications

According to respondents, there are several problem areas in internal communication. The CET members feel in general that they receive all the information they need, but they also have a gut feeling that personnel in general do not get all the information they would require or wish to have. This view was reinforced by interviews on sales and business unit levels – there is a need for a more continuous type of internal information. As mentioned by an interviewee, communicating at a more continuous manner from each unit to other units is the only way to keep people motivated.

Relating to the company feel being somewhat fragmented because of it having grown by acquisitions, also internal communication (which is certainly at least partly an outcome of the acquisitions) plays a role in creating that feel:

> "… For example, when you don't know who to call and who is responsible for what exactly – that is when you get the kind of scattered feeling. This is all about the communications, inside the house and also how we communicate towards customers and other stakeholders."

> "I can't see the dynamics within production, within quality, within engineering (throughout the group). I think there should be opportunities for them to improve their relationships. I cannot now see that's (happening) as much as we have within sales and finance."

On a more practical level, it was mentioned that announcements and other information does not move forward from the HR function fast enough. Many times the information travels in the form of rumors, while the official notification lingers as much as three weeks behind, when the information has, in itself, already become outdated. There has also been a lack of general, up-to-date information about the company. The recently published 'company way of working' (discussed in Chapter 5.1.3) takes this aspect into consideration.

The following sum up the areas in which internal communication struggles:

- Internal information from HR function concerning new recruitments, changes in responsibilities and work descriptions (especially on the business unit level) is slow
- The information flow is not continuous; releases and other information get heaped into big piles before they are shared

- The staff magazine published four times a year is not enough to keep employees posted and up-to-date
- Information flow is mainly only one-sided between the latest acquisition and other business units
- There is a lack of instructions / guidelines for business units

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5.4.2 Corporate culture

As mentioned in theory, the corporate culture may have as much influence on external stakeholders through the behaviour and attitudes of e.g. sales personnel as do the more formal corporate communications and visual identities developed by administrative quarters. In the case company's situation, the sales personnel and the business units' external actions have a great impact on the corporate image of the group. It is vital to notice that especially for these functions, external communication has its roots in internal matters. A partial misunderstanding or neglect of corporate culture related issues in the corporate branding process was observable from the responses of several top management level, CET members. On the other hand, some saw it vital to align the corporate culture in all the recently acquired businesses. Aligning the culture was also seen as a big challenge.

Currently, due mainly to history, business units have developed their own world and own organizational cultures and identify mainly only with their own units, not the group as a whole. The current culture, due to growth through several acquisitions, has lead to the ruling mindset of "business unit first, then the division and then the group", although the order of the mindset should be the absolute opposite. Currently, there seems to be too much sub-optimization. According to an interviewee, people in key positions really need to be "our company people" that seek the profit from the group's view and do not sub-optimize a certain unit. Molding a corporate culture that supports the intended group perspective from the top management level down to the unit level is essential. An apt comment from an interviewee presented how every decision made should be based on a

religion “is it good for the group?” and then go down to division level and then to business unit level from that base.

The case company’s “code of conduct”

In the interviews, a “code of conduct” or a general feel of belonging to the corporation was also enquired. Clearly, this is missing. The most relevant level on which the code of conduct or general way of handling things is missing is the sales force. Since the sales force is such as active crusader for the corporation’s corporate brand towards the customers, there should be guidelines for the way in which a salesman presents the company to this crucial audience. Undoubtedly, this issue again relates to the internal fear of unnecessary standardization, as the following quote from a salesman exemplifies:

> “… I cannot tell that salespeople are acting in the same manner. There is a work running to at least have that idea. But, you should be careful about the borders. There can be parameters and indicators for this. We should define the borders, and within those borders, we should let people act.”

In addition to sales force, a code of conduct or a base for this in the form of instructions for business units is missing. As even top management is aware of business units being, from time to time, uncertain on how they should act and operate, instructions or guidelines should no doubt be formulated. Furthermore, as there are clearly wishes and a positive attitude in units towards instructions or a general “handbook” from a higher management level, this opportunity should clearly not be dismissed by management.

In the difficult task of molding the corporate culture to support a more group-driven perspective to making business and also everyone identify with the group, not only their own specific unit, the CEO’s role should not be underestimated. The CEO’s prescriptions of how things are to be done can help to set standards of acceptable behaviour and best practice, i.e. the “code of conduct” or ways of working for units; this was brought forward by a business unit manager. Relating to this issue on the vital role the CEO has in communicating inside their company, an example from IBM can aptly be presented.

Louis Gerstner, who was appointed CEO at IBM at the time when the company was at its biggest crisis, described the company and communicated the result to the whole of his organization in the shape of a book called “One Voice”. The book outlined IBM’s strengths according to the new CEO, how the CEO viewed the future, and how he thought employees should tackle it. Every IBM employee on the planet received a copy of the book “directly” from him (Kunde 2000, 6). The company was at the time falling apart due to decentralized power and fragmentation, but the CEO managed to stop the decentralization by setting up a unifying mission and creating a new internal corporate “religion”. This example shows how the CEO took the greatest role in enhancing internal communication and in striving to unify the corporate culture.

5.4.3 Group values

The three group values are generally well comprehended on the management level of the case company. Most management level interviewees state that they display and stress these values in all their presentations and equivalents and argue that they are committed to these values. According to the internal study conducted in June 2007 with division managers, business unit managers, sales managers, sales force and a handful of other key personnel (also CET members) as respondents however, only 2,2 % evaluate the group as ‘group value 1 –oriented’. Similarly, Only 8,9 % of respondents view the organization as ‘group value 2 -oriented’. These can both be viewed as concerns; they represent incomprehension of or non-commitment to group values even at a higher management level.

The sales director mentioned how getting the right people that have the same values as the company (also towards the customer) in place is very important. Nevertheless, he also stressed how between the business unit management level and the foremen, somewhere there is a disconnection in how values are understood. The following figure demonstrates the problem.

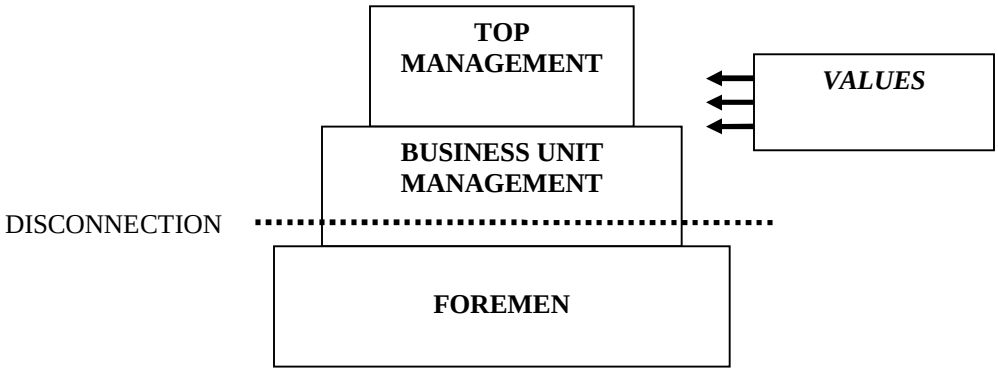

Figure 8. Commitment to group values on different management levels

As argued by Urde (2003), the core values of an organization can be used as the base for corporate branding – the role and function of core values are considered a central part of the value foundation of a corporate brand. According to him, core values are the overarching concepts that summarize the identity of the corporate brand and act as guiding lights for the brand building process. These core values of the corporate brand are translated from the core organizational values. A similar approach was brought forward by a respondent from the sales force. After a lengthy discussion on attributes important to the customer during the buying process, the interviewee identified the most important attributes based on his experience and summed up his view on the group's organizational values and how these should relate to vital decision-making attributes. As the most important attributes a customer is looking for in a supplier today are *reliability* and *trust*, and because environmental issues are extremely important for the industry ("the industry is seen somehow as "bad", or as a burden to the environment"), according to him the group values could be used as indications of the group's consideration of these vital attributes as follows:

- Value 1 →Reliability.
- Value 2 → Trust.
- Value 3 → Environment (safety, ergonomics, packaging…).

This process suggested by the respondent subconsciously relates to the formation of the core values of the corporate brand from the group's organizational values. This process

should be considered in more depth in order to form the actual values and identity for the corporate brand of the case company, to differentiate it purposefully and significantly from competition. The participation and contribution of employees on different levels in this process should be active, after which a profound education of the whole organization of these values should be carried out. Finally, the base values should then be transferred into reality and each and every action should continuously be evaluated against the molded values and identity. This issue will further be elaborated in the following chapter on corporate brand identity.

5.4.4 Building the corporate brand identity

Brand management reflects that the holder of a brand identifies what the basis for the brand is and what it should represent – this is the brand identity. As summarized by Bergstrom et al. (2002):

"Before you can send any message effectively, you have to know what message it is that you want to send. Priority number one therefore, is to arrive at a binding decision as to what the brand represents and how that should be communicated in words and images."

In accordance, a plan for what and how to communicate needs to be constructed. Outlining a brand strategy based on the brand's identity is fundamental for branding.

Absence of corporate brand identity

One could not say that there currently exists a common corporate brand identity inside the case company.

> "There is probably not a common corporate identity. It is different if you go for example to a certain business unit, it has been there for 20 years, they have a clear own world. But if they go to another unit, that is also a different world altogether. They don't have the same characteristics. They are located in industrial towns far from here; they live in their own world apart from the rest of us."

The question of what the organization is can, according to Blombäck (2005, 80) be answered by:

> a) what the members think is central to the organization
> b) what differentiates it from other organizations, and
> c) what enduring features are perceived by the members.

An opinion that highlights issues relating to points a) and b) were brought up in an interview as follows:

> "I think one of the strongest assets we have, as a Finnish company, is the country itself; the nature, the harsh winters, the sauna… We should use that to be different from the German groups and others."

The Finnish, 'harsh country, honest people and way of working' background relates well with one of the company's core values and could be used in the brand building process. On the other hand, as the company has experienced huge growth and is a large European company today, it can no longer solely rest on the Finnish base it has. The following quotations exemplify this.

> "I think we need to broaden ourselves a little bit more… At least we are quite strong in Europe. So we should start to act like a European company more than a Finnish company."

Also, the internal attitude from employees working in other countries than Finland reveals how the group is currently not acting much like a European company – beginning from internal developments and other activities.

> "I think it's a problem that everything is made in Finland… That's a mistake they are doing every now and then, that every time we make a change, it's always a Finnish consultancy doing it."

The corporate brand identity should be developed purpose-orientedly by engaging multiple employees in the process. Developing the corporate brand identity should be carried out as a strategic task possibly in the form of workshops or other suitable contributive occasions. A primary target for consideration should be to decide which key features the corporate brand identity can truly be built on. In order for these key features to be valuable, they cannot be put away in the CEO's archives, occasionally be fed to employees in presentations or just lay written on a Word sheet in the intranet. What the corporate brand identity represents needs to be translated into practical actions and continuously made a natural part of the corporation's activities. Workshops, presentations, training and other internal educational activities – even if related to other strategic or even practical issues – should always be built on and evaluated against the corporate brand.

Absence of corporate brand proposition

Currently there is neither a brand statement, nor a mantra or proposition on which all the actions of the corporation, at least those relating to communication matters, could be evaluated against. Taking as example the Swedish automobile brand Volvo, their brand strategy statement from 1997 provides a picture of an overarching vision. Even though Volvo represents the B2C market, it is relevant as a benchmark here – as Bergstrom et al. (2002) mention, all great brands, whether a B2C or B2B brand, have one purpose: to create a unique and strong emotional bond between themselves and their audiences. The brand statement of Volvo relies on the three core values of the company; safety, quality and concern for the environment:

> *"Based on consumer-perceived **quality** and achievements, Volvo will distinctly, decisively and consistently sustain and develop its brand position as a recognized leader in **safety** and be ranked as a leader in terms of **environmental care** among the world's top producers of automotive and transport products, equipment and systems."* (Urde 2003)

A similar statement should be molded in the case company. This process can be adopted e.g. in the form of corporate brand identity workshops and process these results into the corporate brand proposition. Workshops, brainstorming etc. are required in order to get all aspects of differing employee levels. Indications for answers to these questions emerged during interviews, but understanding needs to be deepened in the form of e.g. workshops in order to get a comprehensive view from all levels. The corporate brand identity and brand proposition form the vital supporting pillars that should be in place before any external branding actions are to be undertaken. This way, all communication actions can always be evaluated against the proposition.

The improvement points for corporate brand identity management are summed up in the following.

- There has been no attempt to actively formulate a corporate brand identity
- There is no branding proposition (a series of agreed statements that describe the corporate brand and what it should always stand for)
- There is a common vision that more needs to be communicated, but since there is neither a clear brand identity nor a stated branding proposition, it is unclear what message should be the corner stone in communication
- Since there is no clear description of what the corporate brand stands for, external actions or messages cannot be successfully evaluated against it and made consistent in this respect
- Since there is no clear corporate brand identity for the group as a whole, there is an inconsistency in what guidelines the identity of a business unit should follow

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Business unit perspective

The corporate brand identity and its formation unquestionably relates very closely to the issue of how far corporate branding is willing to be taken and accepted in the business units. Formulating a corporate brand identity is essential for the group's external

communications on a higher administrative level, so that i.e. investor communications, group advertising and the behaviour in and visual world of trade fairs can all be evaluated against the same identity base, and controlled so that all communication and behaviour is in line with the formulated identity. From the business units' perspective, this identity discussion mainly relates to the communication towards customers and towards smaller representatives of local media and other units' stakeholders. Because of independent business units, it cannot be assumed that all adopt the same, common identity. The corporate brand identity should be carefully considered by engaging also business unit level managers in decision-making. The common main thread and promise behind all the actions of all the units and levels should be the main mantra of the corporate brand identity.

> "We should carefully consider what it is that unites us in a way."

An apt discussion was held in the interview with a division manager on how to engage business units in corporate brand identity building:

> "If we had a certain strategy about what the role of a business unit is; what is our production unit. They have just taken shape in the course of time. If we had a clear strategy and border regulations within which they can, with aid from their own history or otherwise, form their own identity."

5.4.5 Brand building responsibility

It is generally quite well comprehended that each end every employee has his or her responsibility in delivering the corporate brand values externally. The management of branding should, according to almost all respondents, be handled centrally on a corporate level, and the CEO should have a big role in building the corporate brand image. The role of the corporate executive team in especially the *internal* brand building process was also emphasized by an interviewee.

> "…The corporate executive team, when we are building the internal brand. It is a question for top management, and it derives from how daily leadership as one group is executed, to the extent that it is possible."

These views imply that the strategic foundation of corporate branding is understood and supported. There is even a surprisingly positive attitude towards central guidelines on how employees should act on division levels and business unit levels to improve and support the corporate brand. What could be observed from a respondent on business unit level is the obvious demand for a "handbook" or an equivalent for instructions on a company way of working. This view stressing the need for corporate guidelines was reinforced by interviewees from a higher management level.

Once the corporate brand building has proceeded, the corporate brand identity is in place, the corporate brand proposition is formulated and guidelines are being shaped, it is extremely important to educate the employees. Educating and training employees internally is, according to theory, vital in the branding process since employees play a major role in communicating the brand values externally. In the supplier context, the role of sales force has especially been emphasized in this respect. Taking the case company's characteristics into consideration, the business units and their employees similarly play a vital role in brand communication. This is fairly well comprehended on management level.

> "Branding is touching everything, HR is touching everything, and if we talk about branding and the corporate image, we should do some training on multiple levels in the organization. That ties into the HR programs… And in those trainings, you need to have some space for branding, for company values etc."

Brand theory emphasizes how brand building must be an ongoing process and regular corporate brand audits must be done in order to keep the brand representing what it originally was meant to stand for. Also, the appointed, preferably cross-country, brand team's work must be continuous, not a series of one-off events. This way the brand-

related managerial responsibility can be used to create synergy in multiple countries and locations. Several respondents mentioned aptly how, if the branding of the case company is to succeed, it must be led from the top of the organization. One respondent also compared the corporate brand building with the integration of the group and the latest acquisition.

> "It (branding) must be totally its own project, with an appointed person in charge and preferably on the highest level possible."

> "I don't know how much it helps, if some department is set to fix up the brand… If personnel are 100% committed and it's a 2 month project and that's it – I don't believe it will happen so. It can begin from little things (visually similar tenders as well as coupons that leave from production units), but there needs to be more commitment somehow throughout the organization. The message must be made go through."

The main point is that work on branding must be continuous, not a project with its results stored in the company's archives.

5.5 Communicating the corporate brand externally

After the corporate brand has been communicated internally, its execution externally can be conducted. According to Lynch & de Chernatony (2004), corporate brand values in the B2B market can be communicated externally mainly to customers through sales force, advertising / PR, trade shows and direct marketing. These refer to corporate level methods in communications. In the case company's situation, the business units' role in externally communicating corporate brand values should unquestionably be added to this list. As mentioned by an interviewee:

> "Communication towards the external world – shapes and borders for that. This is certainly a development target for us."

There is a need to bring marketing related issues (e.g. organizing trades, sponsoring) more to the central level – this view was reinforced by several respondents.

> "It definitely needs to be centralized. Otherwise you cannot be one group, it's that short. Of course there will be local support; the person who has been responsible before gives some local support. But main arrangement, main concept… should definitely be centralized."

5.5.1 Multiple stakeholders

The case company's key stakeholder groups are customers, own personnel, owners, financial institutions, business partners, suppliers, sub-contractors and others including society, public authorities and neighbours of production units. These nearly literally mirror the key stakeholders that a company today must take into consideration (presented in Chapter 2 in the theoretical part of the study).

Customers unquestionably form the vital stakeholder group of any organization and should thus be considered external audience number one from the branding perspective. Likewise, maintaining good relations and a healthy reputation among actors other than customers is important since different actors increasingly interact, and the public opinion shapes the image and reputation of a company more than ever before.

Customers

Clearly, the most important external stakeholder group for the case company is its customers. As mentioned by an interviewee representing sales, customers today are primarily looking for reliability, trust and longer term relationship likelihood in their suppliers. Regarding this audience, there are unquestionably problematic issues that need to be tackled in order to communicate in a unified, brand-supporting manner.

> "We should work more on the issue that we are acting as one company with **the same face to customers**. This should be more natural in the whole organization, not only on management level but also for the rest of the organization."

> "They (customers) are talking to 'fifteen companies' and they would like to talk to one company about all the issues."

> "If I ask how much we have for example customer events, where we create our brand and create public relations, I would argue that it is very little… In a way that we create the brand and spend time together with customers somewhere. Still, by doing something, we should build these relationships, not necessarily all the way to the top management level, but to the people who take care of our business."

The means of branding actions towards customers are discussed in more detail in the next chapter.

Potential employees

At present, the group participates in certain recruitment fairs organized in universities and polytechnics. It also cooperates (on country-level) in R&D with certain universities, mainly universities of technology. Cultures surely have an effect on which modes of actions are suitable in each country, but nevertheless, these types of activities should be considered a corporate level concern and managed accordingly – if each country is responsible for their own activities towards e.g. potential employees, the monitoring of consistency undeniably deteriorates.

The general public (media, regulators, special interests, local communities…)

It is a concern, according to several respondents, that there is no clear strategy on how to communicate (both on corporate level and business unit level) in certain situations, for example when a problematic action has taken place:

> "Then quite often it happens so, that for some odd reason, we are in the public limelight in these troublesome issues (occupational accident etc.)… And I don't ultimately know why that is. This industry is encountered as a branch that is

somehow a little bad… We don't have a clear plan or such on how to tackle these kinds of issues. They deteriorate our image quite much."

On the other hand, what could be observed from several management level respondents' views was a clear lack of interest in the public image of the case company.

"It as such does not matter so much what the public opinion of us is, as we are relatively unknown and small."

"Our public visibility and that in the general public, we don't need to consider that so much as we operate in the B2B-business."

As mentioned in theory, instead of pushing the responsibility of marketing-related tasks to a specific function or department, marketing today rather needs to be a company-wide mindset. These previous management level views unquestionably hinder in the adoption of a marketing-geared way of thinking in the case company. As mentioned by several other respondents, it is time for the company to start acting more like a European company, not as an entrepreneurial Finnish group made up of its units. Moving away from a small company mindset requires a more positive attitude towards building the public image of the group. Also, what can be concluded from the previous comments is a ruling view of branding being merely relevant in B2C industries – which, based on theory presented earlier in this study and increasingly successful B2B examples, is not the case.

Others

As mentioned by an interviewee, a marketing element is missing from the case company. Also what emerged from the interviews was a noted need to communicate a lot more externally in order to build the external brand image. The group communicates externally, but nevertheless there is no marketing-related element. Concerning all the multiple stakeholders of the group, a unified and a continuous way to both build the image and inform is lacking behind. The following chapter bites deeper into how communicating the brand externally can be executed.

5.5.2 Means of external corporate brand communication

It seems that the traditional means of planned communications (e.g. trade fair participation, sponsoring) are currently made without much guidelines and knowledge as to what a particular action will do to the corporate brand image. These actions are not planned and reflected against a corporate brand proposition, a statement of what the corporate brand *should* always represent, since such does not yet exist. A more top level, centralized evaluation to suggested communications actions that are proposed from business units for example, should be adopted. The company should not automatically participate in all external communication occasions because a business unit proposes them as interesting options – there should either be guidelines for business units or a more structured evaluation from a higher management level and a broader perspective should be used. In the evaluation of which occasions to attend, for example, the corporate brand proposition discussed in Chapter 5.4.4 should always be used as the backbone.

5.5.2.1 People

People matter in the exchange between suppliers and customers. By working to improve the way employees present the company, the chance of stakeholders, especially customers, getting a good image about the company is bound to improve. Customers' perceptions of quality related to services are partly based on the employees' ability to show reliability, responsiveness, assurance, empathy and appearance (Blombäck 2005, 329). The case company also has something to gain from focusing on these as key issues in attempts to achieve and maintain a certain image. Thus, the sales force's and the business units' ways of interacting (behaviour and appearance) with customers are strongly related to corporate branding and should be considered one of the main, if not the main, improvement points for the case company. A proposition from a respondent was that own personnel (especially salesmen) should have group logos in their clothing before all when visiting customers or on days when customers visit the office/unit. An idea from a respondent was that an identical, small visual identification, for example a breastpin or clip could be worn on these days. Alternatively, high quality collar shirts with stylishly imbedded logos could be have made for each employee on a relevant level.

5.5.2.2 Tangible materials

Currently there are templates for presentations, annual reports and some other tangibles, but according to a respondent, not necessarily many employees use and exploit them fully. Also, many modify the intended original template or copy them half-way. A suggestion that emerged in the discussion was for these templates to be a solid part of the material base offered to employees, so there would be no alternative for employees to mold their own versions of materials. If materials that are sent externally differ hugely from person/unit to another, the consistency from the branding aspect is unquestionably hindered. According to a respondent, the IT system should not enable any other versions but the original template. The question that emerges here is: are employees currently very unsatisfied with the templates since they want to alter and modify them? If templates are found unsatisfactory, they should be improved to serve the purpose and, at least, majority's needs.

5.5.2.3 Homepage

The Internet is the easiest way of reviewing an unknown company today and can thus often be the first moment of truth and direct contact that an existing or potential stakeholder (e.g. customer, potential employee, supplier of investor) has with a supplier's corporate brand. This means that the homepage plays an important part in the case company's potential to be perceived an interesting or suitable partner. Currently, the homepage is somewhat outdated and a new design will be presented in autumn 2007. As mentioned by interviewees:

> "There is a bit of a disconnection at the moment. If you go on the website, you have on e type of feeling and impression of what we are, and there's a disconnection between that and the real world."

> "There is nothing on the main page relating specifically to what we do. Of course this is something to do with the design of the website, but also this is what

underlines the thoughts. Our slogan is a very good phrase and message – but again there is nothing to do with that on the main page."

5.5.2.4 Sponsoring

The case company participates in some sponsoring activities (managed mainly on country level or locally) although the intentions behind these are not necessarily so clearly related to the corporate brand. The group, for example, sponsors a world-class level athlete. The following quote, however, to some extent exemplifies the current attitude towards this sponsoring activity:

> "There is some athlete; I don't know whether he has some logo of ours on his track suit or not."

The internal study from June 2007 shows how 84,1% of respondents perceive sponsoring schools (technology universities, technology projects etc.) as the best target the company should sponsor. Environmental work is supported with 47,7% and sports comes only third with a support percentage of 27,3. Focusing sponsoring activities to technology schools and projects would relate closely with the actual business of the company and simultaneously create brand awareness in one of the most important stakeholder groups, potential employees of the future. This way, the group could hit two targets at the same time. Creating a desired image in the minds of potential, especially highly educated employees, is extremely important, as the following citations expresses:

> "In our country nobody has ever heard about us… and that's a pity of course especially when you're trying to recruit top level people. That you always have to start by explaining what kind of company we are."

According to the sales director, sponsoring should be carried out on a global level. Surprisingly, the internal study supports the country level for sponsoring activities. Sponsoring, or more precisely community-supporting, on a local level does and can occur on a smaller scale, but it should not be mixed with a global effort of trying to build and

support the corporate brand. These sponsoring activities should be top management led – the small communal activities that are carried out on the local business unit level should not be considered or managed on the same level with these.

5.5.2.5 Trade fairs

In the internal marketing-related study conducted in June 2007, marketing the case company for potential customers was seen as the most important task when attending trade fairs with 87% of respondents evaluating it as very important. Also, acquiring information on new products, meeting current customers, acquiring information on customers and transmitting a desired image of the case company to other stakeholders were evaluated mainly as very important tasks. Customers (current and potential) were seen as main audiences when attending fairs, but what also needs to be noted is that for example sales people in other exhibiting companies and buyer representatives are, in reality, potential employees who can be affected by the way the company is presented at a fair.

Currently fairs are mainly managed by each country / locally, with aid from the communications manager concerning the consistency in the look of fairs. As there are several non-similar trade fairs (due mainly to several customer business areas) that need to be exhibited in, the case company might need to have a base plan for how to operate and act at trade fairs. It needs to be noted that everything communicates at a trade fair, from the visual look of the booth to the behaviour and shirt worn by people. For example the following attributes could be considered in a trade fair manual:

- which trade fairs to participate in
- the display guideline
- colours used
- events and presentations
- which items (if any) are chosen for display
- the location of the booth
- the company presentation in the trade fair brochure
- which customers to invite
- which employees work/stand at the booth
- which clothes are worn by staff

- what gifts/giveaways/food is/are served.

5.5.2.6 Local events

As mentioned earlier, it basically depends on the interest and activity level of a business unit manager how eagerly the business unit in question participates in local events and other similar types of activities getting local media coverage. There have been, now and again, 'open door' events at business units and certain occasions have been organized locally. The organization of these is undeniably related to the culture of the country a unit is located in. However, admitting that local communications are unquestionably important in attracting local employees, keeping surrounding neighbourhoods, localities and authorities satisfied, this level of business unit communications should be differentiated from the global brand building level activities.

In building and managing the corporate brand, the group should focus more on global/country level activities. There could be guidelines for business unit level communications (events, handling media etc.) and likewise a handbook for global/country level activities, the main point here being that these should be separated from one another, as already discussed in more detail in Chapter 5.3.4 on the business units' local communications.

5.5.2.7 Advertising

At the moment, no advertising activity is undertaken by the case company. It is well comprehended that if advertising, no loose adverts are adequate, but a larger campaign with consistency is needed. As mentioned in the theoretical part of this study, before any message can be sent effectively, one must know what message it is one wants to send. This is why molding a strong corporate brand identity and a branding proposition derived from it is crucial to be carried out before any advertising should take place. What must also be remembered is that besides communicating via its graphic consistency, advertising also communicates through the context it is placed in – i.e. a full page

advertisement in the industry's top magazine communicates a totally different message than a small message in a weekly paper for example.

5.5.2.8 Customer events

Customers represent the most important stakeholder group. As a good start regarding maintaining good relationships with customers, the internal marketing-related questionnaire that was conducted in June 2007 indicates that 80% of business unit managers, sales force and other key persons at top level see the need for organizing customer days.

> "If we take our biggest customers, it's good that there are contacts between business units and them. But somehow we need to elevate it also, to sit down with some senior managers and really talk to them: Where are they going? How will they look like in 5 years? And how do they want us to develop during those 5 years? …Those kinds of discussions we are lacking a little bit."

Because of the vast array of customers the company has, a strategic work has also been done in order to determine which customers are strategic customers. Organizing customer days to these strategic customers will act as a good start to begin transferring corporate brand values towards the customers. What will be absolutely vital in advance is to precisely plan what the case company's corporate brand truly stands for, and to entwine this aspect into the occasion of a customer day. The whole entity of the customer day, from the message and structure down to visual detail, needs to support the corporate brand.

> "It would be very good to bring the key customers, even from other countries, to Finland to get a better understanding of our DNA and our roots."

Additionally, it will be vital to make everyone (especially at the business unit level) known of these strategic accounts. This way as a start, communicating with a unified face towards these most important strategic customers can be executed.

5.6 Conclusion and future of the case company's corporate brand

Currently, the biggest issue in the corporate brand building process is the role of the business units and other corporate functions (especially sales) in delivering the intended message of the corporate brand. The sales organization's and the business units' ways of interacting with customers are strongly related to corporate branding and should be considered one of the main, if not the main, improvement points for the case company. Simultaneously, the corporate brand identity and a branding proposition (what the brand should *always* stand for and against which all messages can be evaluated) should appropriately be developed. These form the vital supporting pillars that should be in place before any external branding actions are to be undertaken. Corporate brand building must be seen as both an internal and an external process in the case company.

In the future, other developments and changes will also require attention from the corporate brand building perspective. Collaborative long-term relationships and globalization, the main supplying development trends already discussed in the study's theory section, were also tenets stressed most by respondents of the case company. These will be elaborated shortly in this chapter.

5.6.1 Industry changes and future developments

Globalization

Globalization, especially of the case company's customers, was emphasized by several respondents. As customers globalize, demands on the supplier side undoubtedly rise.

> "The keyword seen everywhere is globalization. Our customers internationalize. This way one could think that we could also have some other message to send, other than that we are just freeloading."

Specific countries that were mentioned when discussing globalization were Russia, China and Brazil. These countries present opportunities, but whether the case company will spread wider in the future is a question that remains yet to be tackled.

> "Maybe in China, Russia and Brazil we should have people who could have big ears and listen, see what happens. And spy there a little, and try to find solutions where we could in the future build bigger business units or something."

1st tier / 2nd tier supplier position

As mentioned in the theoretical part of the study, more collaborative approaches towards customers are needed today, and traditional relationships no longer suffice. The challenge of maintaining the key supplier position and defending it against alternative suppliers is a highly relevant question to all industrial suppliers. In the future, as mentioned by interviewees, customers would like suppliers to take care of suppliers. This inevitably poses the question of the future position of the case company in the supplier field.

> "The big question for us is: should we be a tier one supplier in the future or should we be a tier two supplier to our end customers."

These changes in the supplier field relate strongly to how the company will need to be positioned in the minds of customers in the future. The corporate brand attributes are strongly entwined with this strategic decision.

Global warming and social responsibility issues

A general environmental and energy theme is on the table everywhere, and not a day passes when these issues are not discussed in media. Corporate image building and brand identity management around environmental and social responsibility is becoming more and more crucial. Since the 1990's, for example Finnish companies UPM and Stora Enso have learned greatly about the importance of marketing the organization in this respect (Parvinen et al. 2007). The case company must take the social responsibility issue into consideration particularly because it has customers in this area.

The social responsibility issue is emphasized throughout theory on organizations and increasingly also on corporate branding, and examples from business life can easily be found. As the case company operates in the metal industry, and especially certain unit types have a somewhat negative stigma in the general public, the issue of social responsibility and attitude towards the environment can not be left without attention in the corporate brand building process.

5.6.2 Biggest strategic challenges for the case company

The biggest strategic challenges for the case company unmistakably relate to a post-acquisition situation – not only concerning the previous acquisition since as found in this study, the unification problem is present throughout the group. Several acquisitions and changes in organizational structure have taken place in such a short period of time that nearly all strategic challenges relate, according to interviewees, to this issue. The following points underline the main strategic challenges brought forward by interviewees. Due to limitations in the scope of the study, they will not be elaborated in more detail here.

- To get all employees to really look in the same direction – a common "mindset"
- Internal level of operations and general level of operations into condition
- A post-acquisition situation's way of working into condition
- Integrating the latest acquisition
- Achieving growth, not through acquisitions
- Developing a strategy on what the role of a business unit is – "rules of the game" for business units
- Developing an entrepreneurial type of organization and adopting a senior corporate level approach
- Key supplier status issue: Should the case company be a 1st tier or a 2nd tier supplier to end customers in the future?

6 IMPLICATIONS

This study proposes that corporate branding actions in the global supplier industry are worth undertaking. This is because shortly in the future, the product as the main communication means will no longer be the case for any company. As intangible attributes are stressed ever more by external audiences, communicating the company's attitudes and values thus becomes the decisive parameter for success. However, decisions about the corporate brand are strategic by nature and should thus be internally carefully considered before taking any external action. The corporate branding process model for the global supplier context developed in this study depicts the main tenets, both internal and external, that require detailed consideration and action when building the corporate brand of a supplier.

6.1 Meeting the objectives of the study

The primary objective of this thesis was to study how corporate branding could be exploited in the global industrial supplier context. To answer this question, the thesis was divided into three sub-questions. The research question diagram with objectives to all three questions was already presented in the first Chapter. To show that research objectives were achieved, the research question diagram, including the main research problem and sub problems with main findings related to each of these, is presented in the following.

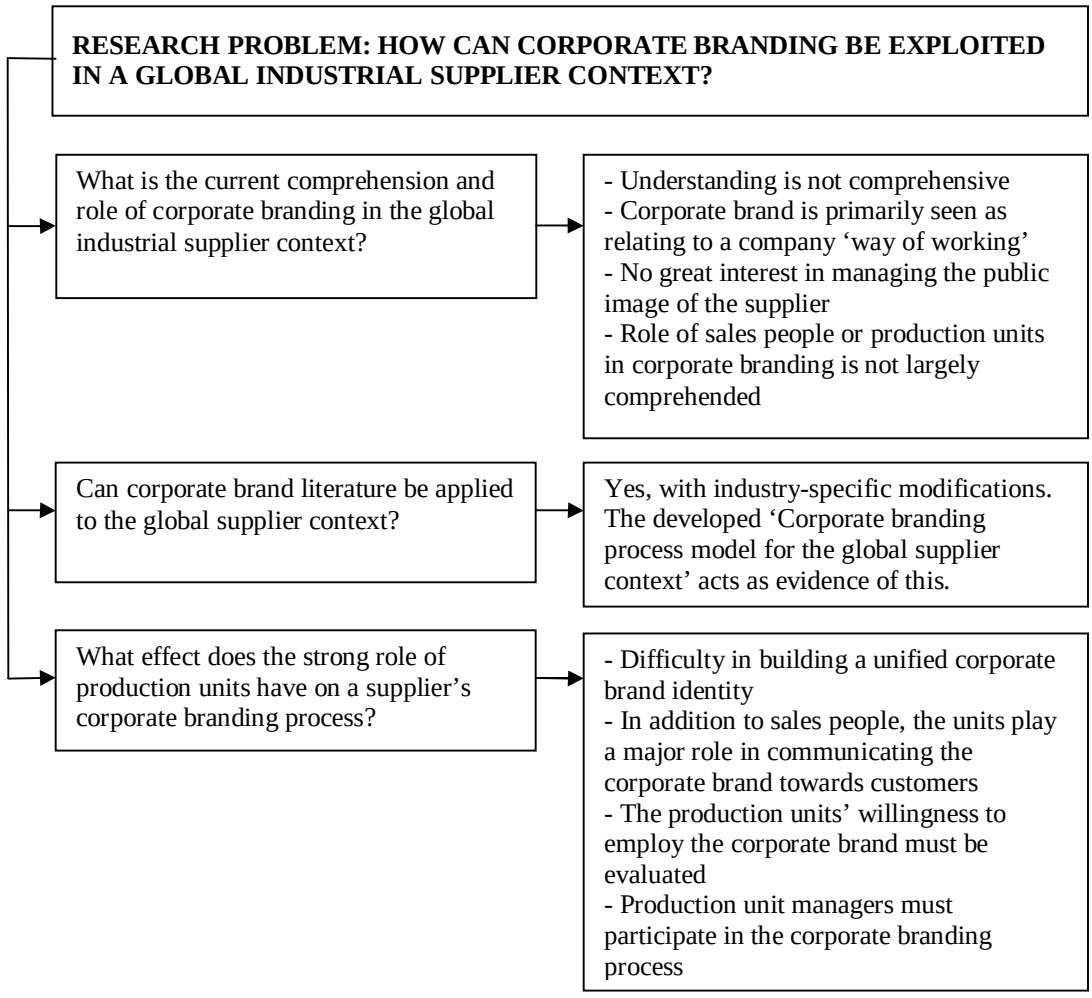

Figure 9. Research question diagram and main findings

To answer the principal research question, the conceptualized framework (a corporate branding process model for the global supplier context) was studied empirically with the aid of a chosen case company, a global metal supplier. The model proved to be highly applicable for the case company studied in the context.

6.2 Theoretical contribution

Overall, this study has contributed to the academically somewhat under-researched arena of corporate branding in the business-to-business (B2B) context. In specific, this study has aimed to widen the perspective of theory on corporate branding by exploring its exploitation possibilities in the global supplier industry. There have previously not been but a few studies concentrating on corporate branding in this industry. By studying corporate branding with a strategic, top management perspective in the context of

industrial suppliers, the study has provided academic insight into branding in an area named “the worst case scenario for branding”. This study has aimed to widen the understanding of strategic marketing in the traditional B2B context by depicting a model for the corporate brand building process.

This study has developed a process-geared framework on corporate branding for the industrial supplier context. The framework is based on combining the following approach perspectives derived from previous theoretical viewpoints on corporate branding and the B2B supplier industry:

- **Communication of the corporate brand both within the organization (the importance of internal focus) and externally**
- **Corporate brand building as a process**
- **Corporate brand identity as the vehicle that guides the process**
- **Multiple stakeholders as an audience for the corporate brand**
- **Sales-business unit-customer interaction and role in communicating the corporate brand towards a supplier’s customers and other external stakeholders**

The study’s main finding, the strong role of production units and the sales organization in the corporate branding process of a supplier, can be seen as a relevant theoretical contribution. As there is a high communication dyad between sales, production units and customers, these organizational functions’ role in transmitting the desired brand values towards external audiences, especially customers, was found of extreme relevance in the corporate branding process of a supplier. The interaction dyad between production, sales and the customer has been found and partially further studied in academic literature, but with no clear connection to the concept of corporate branding. Hence, this study has contributed to theory by indicating the high relevance of this dyad to corporate branding in the supplier context. The following table encapsulates the main theoretical contribution provided by this study.

Conducting a study in the academically under-researched area of corporate branding in the supplier context and finding that the production units' and the sales organization's ways of interacting with customers are strongly related to the corporate branding process in this context can both be considered relevant theoretical contributions.

Table 6. Main theoretical contribution

6.3 Managerial implications

Besides the objective of contributing to theoretical discussion, this study has aimed to benefit managers and other practitioners by a) providing the business with a more thorough understanding of corporate branding and b) helping an industrial supplier bring the development of its corporate brand to a more strategic level and manage it more target-orientedly by presenting a process framework for the specific B2B context.

Corporate branding in the context of the study, industrial suppliers, is an under-used tool. However, with the emergence of a totally new buyer-supplier model based on cooperation and non-market exchange that emphasizes qualitative factors over price, suppliers at once need to look for new ways to differentiate themselves from competitors. This poses a huge opportunity for companies who are able to manage their corporate brand ahead of competition. This study has shown how the corporate brand must be managed as a strategic asset or it will be managed by customers and other external stakeholders more or less at random.

The framework presented in this study was highly applicable for the case company, since the roles of production units and other organizational functions, mainly the sales function, emerged as the main issues to be tackled. The sales personnel and the business units' external actions were shown to have a great impact on the corporate brand image of the supplier. Although the model cannot be said to be applicable to all firms, for other (B2B) corporations and suppliers with strongly independent production units or for corporations

that have recently growth through acquisitions, the model can surface as highly relevant and provide implications for their corporate branding process.

To conclude, B2B companies, suppliers in specific, must recognize that branding is a company-wide mindset. Every department, business unit and employee needs to understand this and believe in it to deliver a valuable, branded service to customers. A (partial) neglect to consider factors such as relationships, behaviour of sales force and business units and similar intangible aspects as having an impact on sales and thus contributing through branding could be observed in this context. In the case company, it seems these types of issues are not purposefully connected to the company's success or regarded as something that could be managed to gain a different, superior image or better competitiveness (i.e. branding) as opposed to competitors. Nurturing a company-wide social corporate culture and a healthy internal communication atmosphere both act as supporting pillars in the internal corporate branding process for the supplier context. Also, as internal assets are the vehicle behind building a successful corporate brand, what the brand needs to stand for in all situations needs to be internally clearly articulated. Only after this the brand can be communicated externally with success. The following table encapsulates the main managerial implication provided by this study.

Most importantly, corporate branding is as much an internal as it is an external process. Furthermore, in addition to the sales function's way of interacting with customers being strongly related to corporate branding, how the production / business unit management is willing to employ the corporate brand is a question of utmost importance; unit managers should thus actively participate in the corporate branding process of a supplier.

Table 7. Main managerial implication

6.4 Limitations and ideas for future research

The model presented both the internal and external branding processes that must take place when pursuing corporate branding. Since the corporate branding process covers a

vast number of aspects, both strategic and practical, to be taken into consideration, the model is inevitably restricted to taking into consideration only the most relevant issues. Due to the limits of this study, focus was placed more on the internal process since internal assets are considered vehicles that guide the whole brand building program. Thus, the investigation of how a supplier's corporate brand image and reputation (external evaluations of the brand) are perceived in the minds of stakeholders, and to which extent the value in a supplier's corporate brand is evaluated on the buyer side, was seen too wide an area to be focused on in this study. The external perceptions and image of the brand should be studied more closely as they alike represent a vital part of the process. How a supplier's corporate brand is perceived by major external stakeholders and what the current reputation is represent themes that should unquestionably be further studied in the corporate brand building process. As mentioned in theory, decisions on corporate brands can not be based on internal audits and self-reflection alone. The internal perceptions and external view should be compared and analyzed – a major mistake would be to assume that the internal view of the corporate brand is the same as the external view held by customers and other stakeholders.

This study was conducted as a single case study, and hence the absence of testing the framework in other companies or contexts undeniably hinders the generalizability of the results. As this study was conducted with focus on the B2B market, the model is most likely not applicable for B2C organizations. From an academic point of view, testing the applicability of the framework provided in this study in other similar contexts would be of high interest. It would be particularly absorbing to research companies in a somewhat similar situation (either a post-acquisition case or from another industry with strong, geographically or simply "mentally" dispersed production/business units) and see how the model works in these cases. Also, looking into how the developed process model actually works in practice with time would emerge as beneficial. Finally, further studies on corporate branding in the supplier context would be of advantage to deepen the insights provided in this thesis.

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Also organizational documents such as annual reports, general brochures, intranet information and questionnaire results etc.

APPENDIX 1: INTERVIEW STRUCTURE

Interview structure and guiding interview questions:

1) **Current brand identity & internal associations of the case company**
What is your company, what does it represent to you, what does it stand for?

2) **Desired brand identity and its communication**
What do you want yourselves to represent to the outside world (ideally)? In the future?

3) **Brand definition in the respondents' own words**

4) **Difference between marketing communications and corporate branding**
How do you see the difference between marketing and corporate branding? What is marketing?

5) **The case company's current branding actions**

6) **Branding in the metal subcontractor industry**
Do you think corporate branding in the subcontractor industry is/can be useful in the future? How or why not?

7) I**ndustry changes and future developments**
Are there some changes or developments in the industry which call for more communication and perhaps the exploitation of the case company corporate brand?

8) **Branding development responsibility**
Whose responsibility should branding be? Do you see the role of staff in branding? How or why not?

9) **Internal communications & corporate culture**
Internal communications:

   a) Internal communications and the information flow among all countries, units and departments
   b) Group values
   c) The case company "code of conduct"?

10) **Strengths and weaknesses of the company history (merger issues & corporate identity)**

11) **Stakeholders**
Who are, in your opinion, the most important stakeholders of your company?

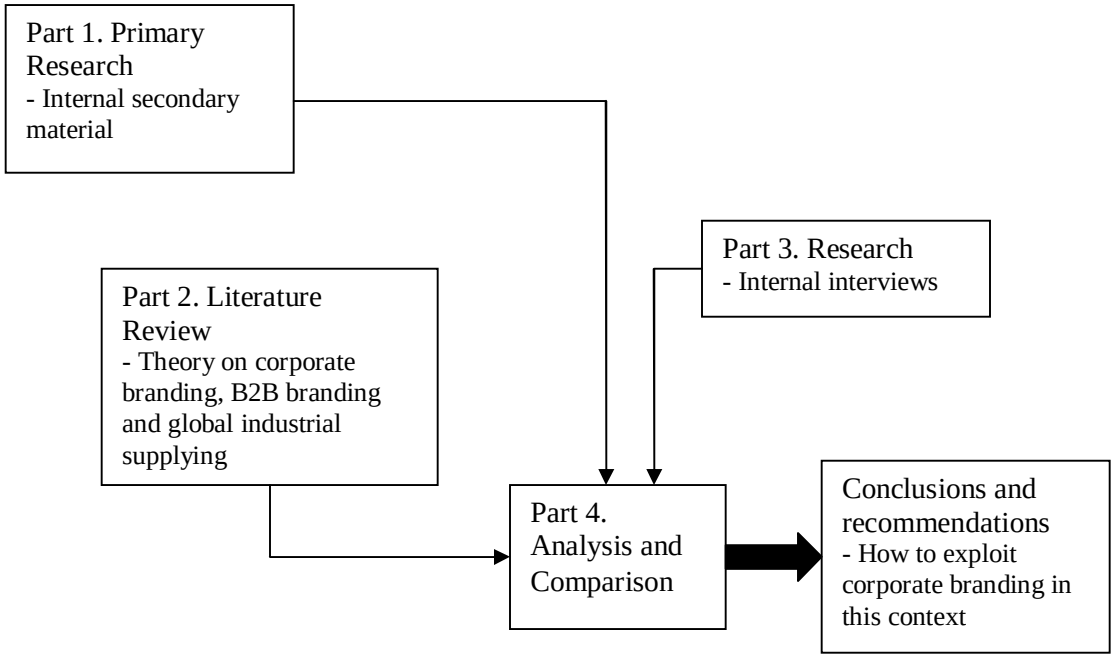
12) Biggest (strategic) challenges for the case company

13) Buying process in the metal industry

14) Sales and delivery process
Sales – production unit cooperation and other issues

15) Corporate social responsibility issue

APPENDIX 2: LIST OF INTERVIEWEES

1. Country Sales Manager, 7.6.2007
2. Senior Vice President, Business Development, 8.6.2007
3. Sales Director, 12.6.2007
4. Business Unit Director, 21.6.2007
5. Country Sales Manager, 21.6.2007
6. Senior Vice President, Division X, 25.6.2007
7. Sales and Product Development Director, 29.6.2007
8. Senior Vice President, Division Y, 3.7.2007
9. Senior Vice President, Division Z, 11.7.2007
10. Senior Vice President, Human Resources, 30.8.2007

APPENDIX 3: RESEARCH STRUCTURE CHART