

"Show us what you've got"



"Show us what you've got":  
Building and Managing Strong Brands  
in Ireland's Service SMEs

By

Gillian Horan

Editors Siobhan Tiernan and Michele O'Dwyer

**CAMBRIDGE  
SCHOLARS**

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P U B L I S H I N G

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*For my Nan*



# TABLE OF CONTENTS

List of Tables .....	x
List of Figures.....	xi
Acknowledgements .....	xii
Glossary of Terms .....	xiii
 Chapter One.....	 1
Introduction	
1.1 Introduction	
1.2 Statement of Research Issue and Research Objectives	
1.3 Research Methodology for Primary Research	
1.4 Volume Structure	
1.5 Summary	
 Chapter Two .....	 7
Critical Literature Review: Background Literature	
2.1 Introduction	
2.2 SME Marketing	
2.3 Service Marketing	
2.4 Defining and Conceptualising Branding	
2.5 Building Brands	
2.6 Role of Management and Staff	
2.7 Customer Importance	
2.8 Communication	
2.9 Brand Equity	
2.10 Identifying the Research Gap	
2.11 Theoretical Framework – The Preliminary Branding Component	
 Chapter Three .....	 25
Critical Literature Review: Building the Conceptual Framework	
3.1 Introduction	
3.2 Service Branding	
3.3 SME Branding	
3.4 Conceptual Framework for SME Branding	
3.5 Identifying the Research Gap	
3.6 Service SME Branding Conceptual Framework	
3.7 Conclusion	

Chapter Four .....	49
Methodology	
4.1 Introduction	
4.2 Research Paradigm	
4.3 Research Methods	
4.4 Research Methods Employed	
4.5 Case Study Approach	
4.6 Methods of Data Collection and Analysis	
4.7 Criteria of Analysis	
4.8 Summary	
Chapter Five .....	71
Findings Case by Case Analysis	
5.1 Introduction	
5.2 Case by Case Analysis	
5.3 Case A Analysis	
5.4 Case B Analysis	
5.5 Case C Analysis	
5.6 Case D Analysis	
5.7 Case E Analysis	
5.8 Summary of Case by Case Analysis	
5.9 Conclusion	
Chapter Six .....	115
Results – Cross Case Analysis	
6.1 Introduction	
6.2 Research Objective Two: Owner/Manager Perception	
6.3 Research Objective Three: Unique and Situation Specific Branding Methods	
6.4 Emerging Themes	
6.5 Descriptive Framework	
6.6 Summary of Cross-Case Findings	



Chapter Seven.....	165
Conclusion	
7.1 Introduction	
7.2 Conclusions for Research Objectives	
7.3 Implications for Managers	
7.4 Contributions to Theory	
7.5 Limitations of Research Finding	
7.6 Recommendations for Future Research	
7.7 Conclusion	
Bibliography .....	175
Appendices .....	187

# LIST OF TABLES

Table 2.1	Traditional SME Characteristics and Problems
Table 4.1	Case Study Tactics for Methodological Soundness
Table 4.2	Interview Protocol
Table 4.3	Case by Case Overview
Table 5.1	Overview of Case Companies
Table 5.2	Case A Significance Table
Table 5.3	Case B Significance Table
Table 5.4	Case C Significance Table
Table 5.5	Case D Significance Table
Table 5.6	Case E Significance Table
Table 5.7	Synopsis of Findings and Overall Significance
Table 6.1	Breakdown of Research Objective Two
Table 6.2.	Breakdown of Research Objective Three
Table 6.3.	Breakdown of Budget Element
Table 6.4.	Breakdown of Characteristics Element: SMEs and Services
Table 6.5.	Breakdown of the Role of Management and Staff Element
Table 6.6.	Breakdown of Customer Importance Element
Table 6.7.	Breakdown of Communication Element
Table 6.8.	Breakdown Brand Equity
Table 6.9.	Breakdown of Emerging Theme One
Table 6.10.	Breakdown of Emerging Theme Two
Table 6.11.	Breakdown of Emerging Theme Three

# LIST OF FIGURES

- Figure 1.1: Literature Framework
- Figure 2.1: Unique Style of SME Marketing – A SME Marketing Sub-Conceptualisation Framework
- Figure 2.2: Service Marketing Framework – A Service Marketing Sub-Conceptualisation Framework
- Figure 2.3: Brand Knowledge
- Figure 2.4: Brand Equity Components
- Figure 2.5: Branding Framework – A Branding Sub-Conceptualisation Framework
- Figure 2.6: Current Analysis of Literature Review
- Figure 3.1: Service-Branding Model
- Figure 3.2: Service Branding Framework – A Service Branding Sub-Conceptualisation Framework
- Figure 3.3: Funnel Model for the Role of Management in SMEs
- Figure 3.4: SME Branding Framework - A SME Branding Sub-Conceptualisation Framework
- Figure 3.5: Analysis of Literature Review
- Figure 3.6: Service SME Branding Conceptual Framework
- Figure 4.1: Research Objective Four
- Figure 6.1: Brand Relevance and the Level of Overall Significance
- Figure 6.2: Brand Building and the Overall Significance
- Figure 6.3: Influence of Owner/Manager and the Overall Significance
- Figure 6.4: Budget Significance and the Overall Significance
- Figure 6.5: SME Characteristics and the Overall Significance
- Figure 6.6: Service Characteristics and the Overall Significance
- Figure 6.7: Role of Management and Staff and the Overall Significance
- Figure 6.8: Customer Importance and the Overall Significance
- Figure 6.9: Communication and the Overall Significance
- Figure 6.10: Brand Equity and the Overall Significance
- Figure 6.11.: Descriptive Framework for Service SME Branding

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Michele O'Dwyer and Siobhan Tiernan for their guidance throughout my MBS programme.

# GLOSSARY OF TERMS

<b>SMEs</b>	Small and Medium Enterprises
<b>CEO</b>	Chief Executive Officer
<b>WOM</b>	Word-of-Mouth
<b>PR</b>	Public Relations
<b>USP</b>	Unique Selling Point

## **Brand**

“A brand is an identifiable product, service, person or place, augmented in such a way that the buyer or user perceives relevant unique added values which match their needs most closely. Furthermore its success results from being able to sustain these added values in the face of competition”.  
de Chernatony and McDonald (1992:18)

## **Branding**

Successful brands are developed with a clear statement of intent regarding the product's or service's purpose, the specific group of customers the brand is targeted at and a commitment to equipping the brand with the right types of resources to achieve the stated purpose (de Chernatony and McDonald, 1998).

## **Service Branding**

It is proposed that brand development is crucial for service providers, and that strong service brands are built by making an emotional connection with the services' audience (Berry 2000).

## **SME Branding**

Branding is a marketing practice strongly significant to an SME, however the traditional rigid marketing planning process does not represent branding in practice where innovation, creativeness and the inventiveness that is compatible with entrepreneurship rule (Abimbola, 2001).



# CHAPTER ONE

## INTRODUCTION

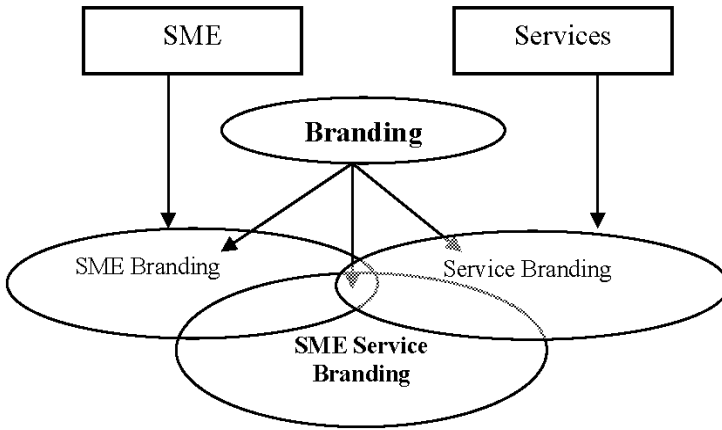
### **1.1: Introduction**

Economic theory suggests that high levels of entrepreneurship have a positive impact on productivity and growth in competitiveness (Annual Competitiveness Report, 2004) indicating the importance of entrepreneurial firms in today's society. The European Commission (2006:5) found that

SMEs (Small Medium Enterprises) represent more than 99% of Europe's 25 million private businesses, ranging from specialist high-technology companies to conventional firms in traditional sectors. They account for two-thirds of its employment, generating half of all its new jobs. Among them are the nimble, innovative and entrepreneurial firms that have the greatest potential for rapid growth and knowledge transfer between sectors and regions.

Within this context, the service sector has become a dominant force in many western economies and has created a wealth of new jobs (McDonald et al., 2001). As with other sectors the SME service sector needs to generate sales to grow, and in turn, needs marketing to generate sales; consequently it is evident that marketing has a role to play if service firms intend to develop and survive (Carson, 1985).

More specifically, within service SMEs, it is essential that firms are encouraged to bring branding experiences to their customers (Changson, 2002) in order to explicitly communicate positive associations. Researchers have argued that branding results in added value, competitive advantage and customer retention (Rooney, 1995; de Chernatony and McDonald, 1992). A review of literature reveals that branding increases sustainable value (Mowle and Merrilees, 2005), creates differentiation, generates growth (Urde, 1999) and evokes relatedness with target customers (Wong and Merrilees, 2005; Keller, 2003; Aaker, 1996) in small service companies. This book draws on branding literature from two perspectives: namely service branding and SME branding (see Figure 1.1).



**Figure 1.1: Literature Framework**

Today it is accepted that small firms are not just ‘little big businesses’, it is widely acknowledged that SMEs have their own particular characteristics that affect the way they operate and that largely determines their preoccupations and concerns (Hill et al., 2002). Hill et al. (2002) argue that theorists need to study the characteristics of small firms, other than size, and consider the implications of these across all the functional areas of their business. There is a dearth of literature in the area of SME service branding (Krake, 2005), particularly its role on the survival and growth of small firms in the current business environment. To date, SME branding research has focused on brand management (Krake, 2005), brand strategy (Abimbola, 2001; Wong and Merrilees, 2005), and the functional and symbolic values of branding (Mowle and Merrilees, 2005). Krake (2005) suggests that brand management has focused only on big companies and multinationals. Krake (2005) developed a ‘Funnel Model for the Role of Management in SMEs’ (see Figure 3.3) which is built on Keller’s (1998) model ‘Brand Knowledge’ but which is specific to SMEs.

Although this is an area of study in its infancy, it is clear from both theory and practice that the study is growing. However, no one particular study has specifically focused on the services sector. This book addresses the existing issues that have been illustrated by researchers to date with specific reference to the service sector.

This research focuses on the owner/manager and their role in the execution of branding in small service firms. Hence, this book investigates service



branding and entrepreneurship disciplines examining the integration in the context of the SME. Therefore it introduces the service branding–entrepreneurship interface, and while doing so will go some way towards addressing the current deficit in SME literature. Consequently, a Descriptive Framework is developed illustrating the significance of these of elements and highlighting the implementation of branding to SME practices in the service sector.

## **1.2: Statement of Research Issue and Research Objectives**

This book derives a framework for service SME branding through an application of service branding and SME branding elements. The research issue is concerned with

### **How owner/managers of Irish service SMEs execute and manage brands.**

Within this research issue a number of sub-objectives exist:

- Research objective one critically analyses and evaluates literature relevant to the research issue including service SME marketing, branding, and service branding.
- Research objective two investigates owner/managers perceptions on branding within their service SME, and their brand building/ implementation activities through in-depth interviews.
- Research objective three explores the use of unique and situation specific branding methods in service SMEs.
- Research objective four addresses the interrelationship between SME branding and service branding in theory and service SME branding in practice.

Research objective one is discussed in the literature review (chapters two and three), which examines SME marketing literature, service marketing literature, general branding literature, service branding literature and SME branding literature.

Research objective two is discussed in the context of the five case studies, focusing on how each owner/manager view branding? What are the forces that support or oppose the use of branding? These are examined in conjunction with the literature reviewed and the following factors are

suggested to have an impact on the owner/manager: branding relevance; brand building; and the influence of the owner/manager.

Research objective three explores the use of unique and situation specific branding methods in service SMEs. This is discussed in the context of the literature review which identified six key aspects of the service SME branding process: budget, brand equity, characteristics, role of management and staff, customer importance and communication.

Based on the empirical findings of research objective two (to investigate the owner/manager perception on branding and their brand building/implementation activities through in-depth interviews) and research three (to explore the use of unique and situation specific branding methods in service SMEs), the answer to research objective four (to address the interrelationship between SME branding and service branding in theory and service SME branding in practice) emerges. This is achieved by incorporating the findings of research objective two and three, resulting in the Descriptive Framework which is illustrated in Chapter Six.

### **1.3: Research Methodology for Primary Research**

To understand the context specific implementation of branding from the perception of the owner/manager, a qualitative study based on a case study method with in-depth interviews with five SMEs is undertaken. Qualitative research is the primary instrument used in order to build a theory from understanding the details involved. Morse (1991) states that qualitative research is used because (a) the available theory is seen as inappropriate and (b) there is a clear need to describe the phenomena and develop theory. Therefore, due to the appropriateness of general branding theory to SMEs and the lack of theory specifically for service SME branding, this book employs qualitative research.

The researchers' approach to the owner/manager data is with a view to understanding their perception of branding in a subjective manner using qualitative research methods (Carson et al., 2001). This study seeks to understand the owner/manager and therefore building theory which is sought from the reality of individuals involved in the study (Creswell, 1994). As researchers should explore the assumptions that they make about the nature of the social world (Bryman and Bell, 2003), this research eliminates the use of objective reality.

The interpretivist approach allows the research to focus on understanding what is happening in a given context, considering multiple realities, different actors' perspectives, researcher involvement, taking account of the contexts of the phenomena under study, and the contextual understanding and interpretation of data (Carson et al., 2001). The methodology of this book is a case study approach utilising five case studies. Yin (1994:8) describes case study research as an empirical enquiry which investigates a "contemporary phenomenon within its real life context".

The five case studies are investigated and compared, according to the research objectives of the study. The case studies have been constructed utilising in-depth semi-structured interviews, observation and documentation. Hence, several techniques have contributed to the data collection of the case studies interviewed.

## **1.4: Structure of Book**

This book examines the level of branding within the SME service sector and thus the scale of documented literature in such are investigated.

*Chapter One* introduces the main theme of this study – service SME branding. Following this, the research issue, the aims and objectives to the study, and the methodology are outlined.

*Chapter Two* outlines the contributions that influence the Conceptual Framework by examining small and medium enterprises, SME marketing, service marketing, and general branding literature. The remaining section of the chapter underpins this book by critically examining SME marketing literature, service marketing literature and branding literature, whilst highlighting the level of research conducted in this area.

*Chapter Three* reviews the existing branding literature in both the service sector and SMEs. This section examines each area separately to highlight the existing and significant literature. The last section of this chapter amalgamates general branding theory, service branding and SME branding theory with the purpose of producing a Conceptual Framework for service SME branding.

*Chapter Four* presents various directions within research methodology and explains why the most appropriate approach is taken in this study. The

case study method, including research instruments such as in-depth semi-structured interviews, observation and documentation are highlighted through the qualitative approach. This is based on the interpretivist approach.

*Chapter Five* presents the empirical findings of this study from the primary research which is supported by the literature reviewed in chapter two and three. Initially five case company profiles are presented followed by a case-by-case analysis, aligned with the research issue and research objectives respectively. The variables used have been highlighted in the Conceptual Framework due to their relevance to both service branding and SME branding literature. Finally, a synopsis of the findings is presented along with the overall significance of each element to service SME branding.

*Chapter Six* examines the results of Chapter Five through cross-case analysis. This chapter of the research explores these same variables through cross case comparison, looking for similarities and variances that warranted consideration. The latter part of the chapter highlights emerging themes and links that originated from this study. Similarly to Chapter Five, the research objectives form the backbone of the findings in this chapter.

*Chapter Seven* discusses the findings and the main conclusions of this book. Next, the implications for management and theory are examined. Following this, the limitations of the research findings and finally the recommendations for future research are presented.

## **1.5: Summary**

This chapter has introduced this research study, given a presentation of the areas of service SME branding and pointed out the shortcomings of traditional branding literature. The research issue has been explained and the aim and the objectives of the study presented. The research methodology for this study has been introduced, followed by a summary of the seven chapters that constitute this book.

The next chapter reviews the relevant literature to this study, regarding SME marketing, service marketing and general branding literature.

## CHAPTER TWO

### CRITICAL LITERATURE REVIEW: BACKGROUND LITERATURE

#### **2.1: Introduction**

The purpose of this chapter is to present those theoretical contributions that provide the background for this research framework: SME marketing, service marketing and general branding literature.

It begins with an overview of SMEs while focusing on the significance of marketing to such a firm. Following this, the various characteristics and problems associated with SME marketing, the role of management within small firms and the unique style of SME marketing are presented and illustrated. Service marketing is examined through defining service marketing and outlining the essential theories. Characteristics of services, the significance of the customer and the responsibility of management are subsequently investigated. This is followed by an illustration of the key elements in service marketing. Consequent to reviewing services and SMEs in the context of marketing, it is critical to review branding literature in the context of this research. An overview of the concept and development of branding is presented, the importance of the customer and the value of a brand is investigated in terms of financial and customer perspectives. In addition, the impact and role of management within brand development, and the various forms of communication channels are explored.

Finally, sub-conceptual frameworks are illustrated for each theoretical contribution (SME marketing, service marketing and general branding). SME marketing is the foundation for the SME branding conceptualisation. Similarly, service marketing is the foundation for the service branding conceptualisation. Each sub-conceptual framework illustrated is a building block to construct the proposed Conceptual Framework for service SME branding illustrated in Chapter Three.

## 2.2: SME Marketing

This section draws on the importance of SMEs while examining the application of marketing within an entrepreneurial firm. For the purpose of this research SMEs are defined as enterprises which employ fewer than 250 persons and which have an annual turnover not exceeding €50 million, and/or an annual balance sheet not exceeding €43 million<sup>1</sup>. Small firms, however they are defined, constitute the bulk of enterprises in all economies in the world (Hill and Wright, 2001; Storey, 1994).

Though the basic principles of marketing are universally and equally valuable to both large and small scale businesses, academic research into the marketing/entrepreneurship interface has been addressed only in the last twenty years (Siu and Kirby, 1998; Davis et al., 1985). Hill and Wright (2000) reviewed the body of literature on SME marketing, stating the lack of marketing literature in small firm's results in a general absence of a systematic approach to the subject. SME marketing has been classified as likely to be

“haphazard, informal, loose, unstructured, spontaneous, reactive, built upon and conforming to industry norms” (Gilmore et al., 2001: 7).

This distinctive style of SME marketing is significantly influenced by SME characteristics; which are intertwined with SME limitations and can lead to numerous problems (see Table 2.1). Table 2.1. illustrates traditional SME characteristics and problems that impact the marketing activity within a small firm. One of the most common and more traditional SME marketing problems is the general lack of financial resources in SMEs, which in turn often restrains their growth potential (Policy Brief, 2000; Carson et al., 1995; Carson, 1985). Hence, size affects the financial aspect of the business and subsequently both size and lack of finances affect the capability of the organisation (Carson et al., 1995).

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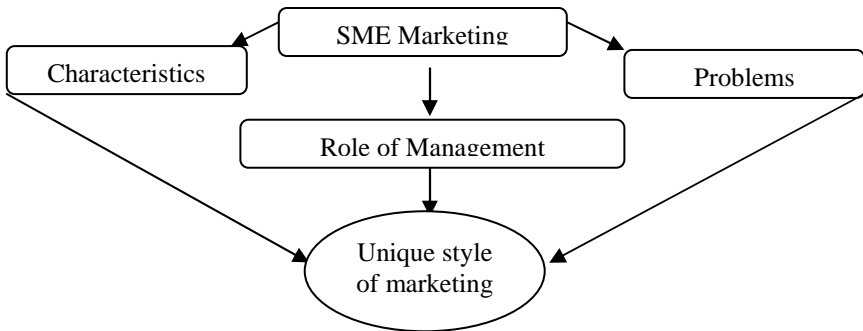
<sup>1</sup> Extract of Article 2 of the Annex of Recommendation 2003/361/EC

**Table 2.1: Traditional SME Characteristics and Problems**

<b>Characteristics</b>	<b>Problems</b>
1. <i>Size:</i> Jocumsen, 2004; Stokes, 2002; Gilmore et al., 2001; Carson et al., 1995	1. <i>Limited Customer Base:</i> Stokes, 2002; Fitchew et al., 1997
2. <i>Resource Constraints:</i> <b>-Lack of financial resources</b> Stokes, 2002; Gilmore et al., 2001; OECD, June 2000; Sui and Kirby, 1998; Carson et al., 1995; Longenecker and Moore, 1991 <b>-Lack of expertise</b> Blois and Carson, 2000; Gilmore et al., 2001; Sui and Kirby, 1998; Carson et al., 1995	2. <i>Lack of Formalised Planning:</i> Stokes, 2002; Fitchew et al., 1997; Jack and Bower, 1997.
3. <i>Personalised Management Style:</i> Stokes, 2002; Blois and Carson, 2000; Gilmore et al., 2001.	3. <i>Lack of Impact on Market Place:</i> Stokes, 2002; Gilmore et al., 2001; Sui and Kirby, 1998; Carson and Cromie, 1989; Carson, 1985.
4. <i>Decision Making–Owner/ Manager Dominant:</i> Jocumsen, 2004; Gilmore et al., 2001; Blois and Carson, 2000; Carson et al., 1995.	4. <i>Decision–Making Unstructured and Simplistic:</i> Stokes, 2002; Gilmore et al., 2001; Blois and Carson, 2000.
5. <i>Influence of Environment:</i> Stokes, 2002; Blois and Carson, 2000; Carson et al., 1995.	5. <i>Failure to Reach a Viable Marketing Position:</i> Boag and Dastmalchian, 1988.

The owner / manager dictates the firms' actions (Hill and Wright, 2001) and manages the business in a personalised fashion tending to know all employees personally, participating in all aspects of managing the business and generally not sharing in the decision-making process (Stokes, 2002; Schollhammer and Kuriloff, 1979). The personality and the experience of owner/manager is a dominant influence and their marketing competency and attitudes towards marketing are major factors in the marketing management of a small firm (Stokes, 2002).

It is therefore acknowledged that SMEs cannot undertake conventional marketing due to limitations of resources, owner/manager personality differences and the lack of impact on the market place (Gilmore et al., 2001), suggesting a separate style is required. Figure 2.1. illustrates the key elements of SME marketing and the unique style it portrays. Therefore, this sub-conceptualisation framework is one building block from which the Conceptual Framework is built on.



**Figure 2.1: Unique Style of SME Marketing- A SME Marketing Sub-Conceptualisation Framework**

### 2.3: Service Marketing

Cognisant to the SME theory discussed, this book draws on the specific context of the service sector. The service sector has become a dominant force in the economies of many western countries and as such the service sector has become increasingly aware of the concept of service marketing (McDonald et al., 2001). Therefore, the service sector has become strongly significant to Ireland and the following sections continue to investigate services with reference to marketing.

Service marketing has been well documented over the last two decades bringing more focus to the topic of service branding (Gilmore, 2003; de Chernatony and Segal-Horn, 2003; McDonald et al., 2001; Kasper et al., 1999). Services are defined as

‘activities, benefits or satisfactions which are offered for sale representing either intangibles yielding satisfaction directly, tangibles yielding satisfactions directly, or intangibles yielding satisfactions jointly when



purchased either with commodities or with other services” (Carson and Gilmore, 1996: 7)<sup>2</sup>.

Correspondingly, with the increased importance of the service sector, research in this area has escalated contributing to the area of service marketing (Gilmore, 2003; Grove et al., 2003; Kasper et al., 1999; Gilmore and Carson, 1996; Brown et al., 1994; Parasuraman et al., 1985; Carson and Rushton, 1985; Shostack, 1977).

The various characteristics of services have been explored by Gilmore (2003); de Chernatony and Segal–Horn (2003); Kasper et al. (1999); Palmer (1998); Gilmore and Carson (1996); and Carson and Rushton (1985). These studies indicate several strongly significant characteristics: intangibility, heterogeneity, perishability and inseparability. Considering the implication of such characteristics some of the service differentiating factors include: the nature of the service act; the types of relationship service organisations have with customers; the scope of customisation; the nature of demand for the service; how the service is delivered and the attributes of the service product (Lovelock, 1983). Hence, traditional characteristics and differentiating factors influence service marketing and more predominantly the manager’s responsibilities and tasks, creating specific requirements of managers in a services marketing situation (Gilmore and Carson, 1996).

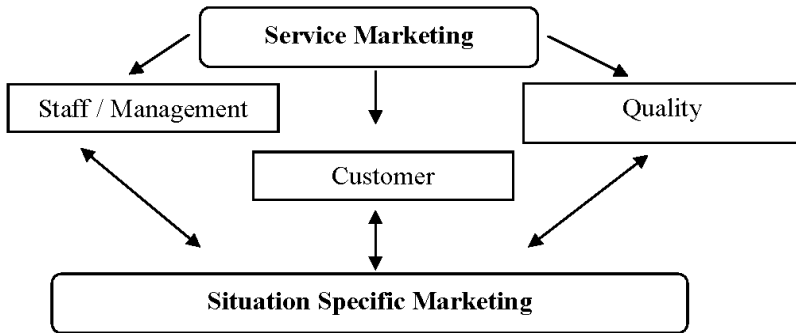
An additional element of service marketing is service quality, which is one of the critical determinants of service loyalty (Lee and Cunningham, 2001). Researchers have demonstrated that service quality is determined by customer satisfaction or dissatisfaction with service experiences and that service quality, in turn, affects service loyalty (Bitner, 1990). Service marketing literature places the customer at the core of an organisations purpose and activity (Gilmore, 2003).

Service marketing is based upon the fundamental concepts of marketing and is perceived to be attentive to the expectations of the customer, the quality of the service to be delivered, the internal organisation, and the employees’ relationship with the customer (Gilmore, 2003; Kasper et al., 1999). Figure 2.2. illustrates the key elements of service marketing and the unique style it portrays. Therefore, this sub-conceptualisation

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<sup>2</sup> American Marketing Association Definition (1960): Reprinted with the permission from the Journal of Marketing Volume 27, 57-62

framework is one building block from which the Conceptual Framework is built on.



**Figure 2.2: Service Marketing Framework – A Service Marketing Sub-Conceptualisation Framework**

The most relevant areas of interest to this study have been extracted from SME marketing and service marketing to help construct the service SME branding Conceptual Framework. Subsequent to reviewing services and SMEs in the context of marketing, it is necessary to review branding literature in the context of this research. The next section investigates general branding theory and the role branding plays in organisations.

## **2.4: Defining and Conceptualising Branding**

De Chernatony and McDonald (1992:18) define a successful brand as

“an identifiable product, service, person or place, augmented in such a way that the buyer or user perceives relevant unique added values which match their needs most closely. Furthermore its success results from being able to sustain these added values in the face of competition”.

This suggests that a brand not only provides benefits to customers but is a way to differentiate a product or service from that of the competitors’ while securing financial returns (Grace and O’Cass, 2002). Therefore, the brand concept can be viewed from the brand owners’ perception or from the customer’s. Additionally, branding may relate to individual products, or groups of products, the service sector or to the organisation or company name (Rowley, 1997). Branding is a mixture of elements: physical, aesthetic,

rational and emotional reiterating the point of differentiation. De Chernatony and McDonald (1992) support the interpretation of a brand as an identifiable product or service, but extend the explanation by indicating the link to the perceived value experienced by the buyer or the user. There are numerous attributes that constitute a brand: a name, a mark, a logo, visual images or symbols and mental concepts that distinguish the products or service from that of the competitor (Rowley, 1997; Kotler, 1994). Grace and O' Cass (2002) categorised non-product attributes into price, user/usage imagery, brand personality and feelings and experiences. In this regard, branding not only offers added values and attributes, it builds a strategy not only to differentiate one's product or service from competitors but also to fulfill customers' expectations.

Branding strategy is a policy for creating and nurturing sustainable competitive advantage by extending the explanation of branding and its distinguishing values (Abimbola, 2001). Branding strategy consists of the development and maintenance of sets of product attributes and values which are coherent, appropriate, distinctive, protectable and appealing to customers (Murphy, 1992), bringing together the importance of various elements to customers. Brands are part of a strategy aimed at differentiating supply and fulfilling customers' expectations (Kapferer, 1992). To overcome strategic decisions a number of branding components are used. Brand knowledge relates to brand awareness and brand image (Keller, 1998), brand identity relates to value and direction and brand positioning refers to the position of the brand in the mind of the customers' perception. In conjunction with this, Kapferer (1997) suggests that the two different points are used to analyse brands; identity and image. Brand identity describes the core values and presents the direction, purpose and meaning of the brand (Aaker, 1996). Brand image refers to the receiver's image of the brand and is the result of favourability, strength, uniqueness, and types of brand associations held by the consumer, thus it is the result of brand identity (Grace and O'Cass, 2002; Kapferer, 1997).

## **2.5: Building Brands**

Brands are successful when developed with a clear statement of intent regarding the product's or service's purpose, the specific group of customers the brand is targeted at and a commitment to equipping the brand with the right types of resources to achieve the stated purpose (de

Chernatony and McDonald, 1998). Aaker (1996) suggests eight different factors that make it difficult to build brands:

- 1) Pressure to compete on price,
- 2) Proliferation of competitors,
- 3) Fragmenting markets and media,
- 4) Complex brand strategies and relationships,
- 5) Bias toward changing strategies,
- 6) Bias against innovation,
- 7) Pressure to invest elsewhere, and
- 8) Short-term pressures.

It is apparent from the above factors that it may be difficult for brands to reach their potential or maintain brand equity (Aaker, 1996). On a general level, the brand and what it represents is the most important asset for many companies and is the basis for competitive advantage (O'Loughlin et al., 2004). The quality of relationships between company and customer can be a competitive advantage and the more closely the customer associates with the brand, the more likely the customer is to purchase (Pearson, 1996). Elaborating on competitive advantage and its importance to the branding concept, Romeo (1995) describes branding as one of the main sources of differentiation. Therefore, it is clear that building a brand is clearly not an effortless act but something that a company should look to develop in order to gain such advantage and differentiation. Specifically, this book examines the perception of the owner/manager who is involved in the branding implantation process.

## **2.6: Role of Management and Staff**

In order to overcome such difficulties and build strong brands, certain members of an organisation must be involved. Considerable effort must be dedicated to preparing employees for delivering on brand promises (Guaspari and Kirby Webster, 2003), thus indicating the need for internal branding. As such, branding is divided into two concepts brand identity (internal) and brand image (external) (de Chernatony and Cottam, 2006), highlighting the importance of looking within the firm when building a brand. In conjunction with this finding, de Chernatony and Cottam (2006) found that staff are a direct influence on a brand. Campbell (2002) emphasises the importance of the organisation not only understanding the brand's promise but also living up to it. Therefore, it is essential that all

staff understand the brand so that each element of the internal value chain adds value in the desired coherent manner (de Chernatony and Cottam, 2006). It is also important that the organisation understands that by making a brand promise, a commitment by the organisation to the customer, it should be upheld (Campbell, 2002). The marketing staff must thus ensure that marketing is seen as a critical ingredient that will pilot the company to increased profits and customer numbers,

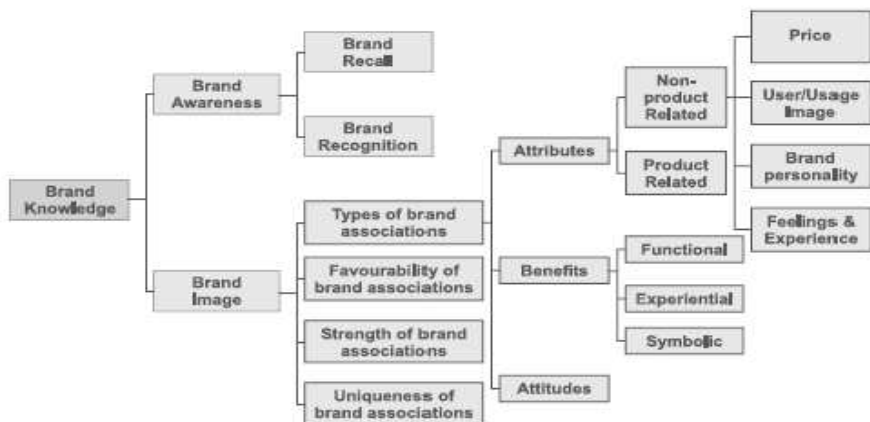
“those that are part of the marketing staff must ensure that the correct balance of resources is consistently applied and that they defend the core values so they are not cut back by production or financial management” (de Chernatony and McDonald, 1992: 213).

Managements' perception of the role and importance of branding is vital for brand success and the sense of belonging often leads to positive morale (O'Loughlin et al., 2004; Nilson, 1998). If there is a strong sense of identity with the company and, consequently with the brand, this pushes employees to high levels of productivity and loyalty (Nilson, 1998). It is imperative that the management techniques used in branding have a positive impact on the customers' understanding of the brand (Jevons et al., 2005). A management concern raised by O'Loughlin et al. (2004) is the lack of managerial recognition and focus on the more salient functional brand values and the influencing power of personal experience or word-of-mouth on consumers. This reinforces that researchers have found that not all management levels understand or are concerned with highlighting the positive associations of the brand to their customers. A characteristic of successful brands is the way that their position has been precisely defined and communicated internally; this again indicates the importance of shared organisational values (de Chernatony and Segal-Horn, 2003). Consumers will have several choices when purchasing and at times will be confused, however it is crucial the owner/manager is aware that branding is a long term investment and brand leaders exist due to consumers (Smith, 2000).

## **2.7: Customer Importance**

Following the review of the difficulties of building a strong brand and the role of management and staff, it is apparent that a customer's perception and actions are influential in creating a successful brand. This section aims to investigate the importance of the customer to a brand and to examine the various elements that build brand loyalty. A number of theoretical frameworks have been developed in an attempt to understand how consumers think and respond to brands (Keller, 1998; 1993; de

Chernatony, 1993; Kapferer, 1992). Research into the implication of consumer brand knowledge for marketing began as early as the 1950's (Keller, 2003; Gardner and Levy, 1955), and since then there has been a stream of brand researchers who have contributed to the literature on consumer brand knowledge and its impact on consumer behaviour (Lim and O'Cass, 2001; Laroche and Brisoux, 1989; Dodds et al., 1991; Keller, 1993; Cobb-Walgren et al., 1995). Keller's (1998; 1993) model of 'Brand Knowledge' provides a detailed analytical view of the brand from the perspective of the customer while claiming presentation of both goods and services (see Figure 2.3.).



**Figure 2.3: Brand Knowledge**

Source: Keller (1998:94)

This customer-based brand model proposes that brand knowledge is comprised of brand awareness and brand image relating to the brand components that act as an initial starting point of marketers (Grace and O'Cass, 2003). In this regard, Keller (1998) found that there are various types of brand associations such as attributes, benefits and attitudes. One significant thrust in current branding research, and relevant to the current study, is an attempt to understand the intangible aspects of brand knowledge: price, usage image, brand personality and feelings and experience (Keller, 2003).

Primarily, personal experience with a brand appears to be an important factor in customer decision-making and satisfaction (O'Loughlin et al., 2004). A brand identifies the product, revealing the facets of its differences;