

# “Brand building activities in Small Service Firms: A Qualitative Study on Swedish Real Estate Firms”

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**Abstract** Brand building is a highly researched phenomenon when it comes to large enterprises in product oriented industries. However, when it comes to small firms and especially the service industry branding is a relatively new topic. This article explores the field of small service firms and their efforts in building their brand. The starting point rests on the creation of an organizational identity which is the values and beliefs that concurrently creates the foundation for the firm’s internal procedures. The purpose of this study is to get an understanding on how small service firms build their brand. Therefore, this article uses a qualitative approach with multiple cases with responding firms ranging from 2 to 12 employees. This was done in the effort of finding patterns on how brand building is conducted in small service firms. The findings shows that brand building is an important aspect that small service firms place great efforts on and that despite shortages in resources they build their brand by using alternative methods that are less resource intensive. The respondents argue that they have the organization as a base when creating their marketing activities. Important characteristics are consistency, honesty, creativity, integrity and heritage. Together they build a foundation for a unification of the firm that is presented through the brand. A unified organization is then used as a way of branding themselves towards new customers with the help of both reputation gained and word-of-mouth.

## Introduction

In recent years, research within brand building has been merely aimed at large enterprises operating on international markets and promoting physical products. This has led to an increasingly amount of research conducted within the field of branding and multinational enterprises (MNE). However, almost no attention has been aimed at the field of small firms in connection to managerial activities focused on brand-building. Small firms are for instance the engine of Europe, and 99.8 percent of all companies are to be found within the category of Small to medium sized enterprises (EU Commission, 2008). The field of branding within small firms has thus been neglected – despite that this is a field of research that deserves more scholarly attention, especially in the growing service sector. In packaged goods, the product is seen as the primary brand, however, in the services industry, the enterprise is the primary brand (Berry, 2000). Moreover, according to Wallström, Karlsson and Salehi-Sangari (2008) branding is the cornerstone of service marketing, and service companies usually rely on the corporate brand. This gives a different perspective to the phenomenon of branding. The brand will take part in a wider sense since it interfaces, not only with the end customers, but with the company, its employees and the network with stakeholders as well (Brodie, 2009). Being a small firm within the service field, in competition with MNEs, may even be an advantage. Lee, Lim and Tan (1999, pp. 309) mention a Niche Strategy as a generic competitive strategy for small and medium sized companies.

This strategy means to avoid direct competition with larger rivals due to their resource limitations, and to concentrate on market segments. This will give the small and medium sized companies a favored position since it is more willing and able to provide flexibility in the output, and is better located to offer localized attention and knowledge (Johnson, 1997). Therefore, a brand within a small geographical market has great opportunities to take market shares from national and global brands, with its ability to serve the customer in a more flexible and creative way than its larger counterparts (Anarnkaporn, 2007).

According to Berry (2000) in service industries branding plays a special role since a strong brand increase customers' trust of the invisible purchase. Since the service brand is built upon the enterprise it is important to mind about the organizational identity when building the brand, and according to Balmer and Wilson (1998) every organization has an identity. It articulates the corporate ethos, aims and values, and presents a sense of individuality that can help to differentiate the organization within a competitive environment (Balmer and Wilson, 1998). A firm will gain plenty in establishing a clear and consistent brand identity by linking brand attributes with the way they are communicated which can be easily understood by the customers (Ghodeswar, 2008). This is particularly important in the service industry, since the service firm communicates its identity through the brand and this is one of the few means they have when attracting customers. To be cohesive in the communication throughout the entire organization is especially vital for service enterprises, to avoid customer misunderstandings.

Brand marketing and organizational branding can be divided into plenty of different pathways. In this article the organizational perspective will be in focus. Through an organizational perspective, branding can be seen as a tool that must be managed in order to create an alignment between the culture that exist internally, and the image that will categorize the organization externally (Bickerton, 2000). Speak and Hanson (2008) proposes that the strength and potential of all brands have their roots from inside the organization. The potential depends on the internal possibilities of the organization in connection to what is relevant and distinctive on the outside (Speak and Hanson, 2008).

Wong and Merrilees (2005) states that given the vast amount of branding research over the past two decades, it is surprising that researchers have not been able to discern one single research study dedicated to small and medium sized companies branding. O'Cass and Grace (2003) continue and argue that despite the importance of service brands and consumer perceptions of them, insufficient research has been conducted in the field of service branding. Even though small and medium sized companies have limitations when it comes to resources, size, and tacit know-how, the need and abilities for conducting, and thinking, about branding, should be of great interest for them. Since, strong brands convey the feeling of familiarity and trust, reduce risk, and serve as the basis for dialogue and engagement between individuals on one hand, and customers and producers on the other (Abimbola and Vallaster, 2007). According to Dent (1990) the brand name can in a service setting work as an asset to generate higher returns and profit margins for several years. However, to gain success it is essential to manage the brand name— failure to manage the brand name as an asset will destroy its value (Dent, 1990). Service companies build strong brands through branding distinctiveness and message consistency, by performing their core services well, from reaching customers emotionally, and by associating their brands with trust (Berry, 2000). Therefore, Berry (2000) argues that brand building is just as critical for services enterprises as it is for product

enterprises, because strong brands increase customers' trust and helps them to better understand and visualize what they are buying. For this reason, brand building is a tool that could be considered as more important in a service setting and linking the corporate identity with the corporate brand has a greater importance in the service sector when attracting customers and other stakeholders.

With this in mind, the purpose of this article will be to develop an understanding of how small service firms build their brand. Since there is a limited amount of research conducted within this field, the study is of an exploratory nature. It will lean on existing concepts developed for larger enterprises mainly in the product industry. The aim is to build a tentative framework that can explain how small service firms organize and carry out their branding activities. This framework can then be used as a platform for further inquiries in the field.

## Literature review

Abimbola and Vallaster (2007) argue that the concepts of brand, organizational identity and reputation building are means of meaning creation that cannot be associated with large organizations alone. By linking the three concepts companies can enable consistency in their branding efforts (Abimbola and Vallaster, 2007). Abimbola and Vallaster (2007) further believe that small enterprises have several advantages in their efforts of aligning the brand, organizational identity and reputation building. There has been a considerable amount of research conducted about branding and corporate reputation, however, the two streams of research have been largely independent (Cretu and Brodie, 2007). As an important resource of the firm the brand can serve as a strategic reference point, and it can also shape the development of the business by realizing a link between the capabilities of the firm and the external environment (Wong and Merrilees, 2007).

## Small firms

According to Berthon *et al.* (2008) small and medium size enterprises are highly important in the society due to their contribution to the gross domestic product, national employment, and export performance to a country. Small firms are representing a majority of the firms in the market, for instance 98.2 percent of the European companies are to be found within the criteria of small to medium sized enterprises, which means that small firms with all respect can be seen as the engine of Europe. In order to stay competitive, the need for small firms to build a strong corporate identity to take a position in market, to present themselves towards customers through a strong and consistent brand identity, is of vital importance. With a strong identity small firms can signal its business intentions, and also create an image that is accepted and appreciated by the customers.

Small firms can be characterized as organizations that are managed by its owner(s) in a personalized way with a relatively small share of the market in economic terms (Abimbola and Kocak, 2007). The organizational structure of small firms tends to be flat, which leads to a flexible structure and more open information flow (Ghobadian and Gallear, 1997). This in turn leads to an information process that is less complex and easier to manage than in larger companies. However, according to Ghobadian and Gallear (1997) the major disadvantage for a small firm is resource scarceness as they often lack specialist knowledge and financial capital. Therefore, the task of managing the corporate identity is bundled and anchored with the entrepreneur/founder/owner manager who holds a key or unifying position in the firm (Abimbola and Vallaster, 2007). This may according to Abimbola and Vallaster (2007) save time and energy in managing processes and functions as they relate to corporate identity, which is an advantage for the small firm, and the entrepreneurs are usually role

models that characterize the organizational culture, approach to business, and day-to-day decision making of the firm. On the other hand, the shortcomings that small firms have when it comes to resources, specialist knowledge and financial power can be minimized by building a cohesive brand with careful planning, consistent understanding of what branding entails and by involving the whole organization (Abimbola, 2001). Abimbola and Vallaster's (2007) contention is that the brand, organizational identity, and reputation, call for a holistic brand management approach that is better suited to entrepreneurs and small to medium sized firms than to large companies.

### **Branding**

Branding is about adding a higher emotional meaning to a product or service, and thereby increase the value to customers and other stakeholders (Bergstrom, Blumenthal and Crothers, 2002). For many organizations building strong brands has become an important issue since it yields a number of marketing advantages and increases companies' competitive strength (Ojasalo, Nätti and Olkkonen, 2008). Keller (1993, pp. 3) defines brand image as "perceptions about a brand as reflected by the brand associations held in consumer memory". The congruence among associations determines the cohesiveness of the brand image – that is, the extent to which the brand image characterized by associations or subsets of associations that share meaning (Keller, 1993). These associations consist of attributes, benefits and attitudes that customers have towards the brand. The brand image should be derived from the brand identity, which is based on a thorough understanding of the firm's customers, competitors, and business environment (Aaker and Joachimsthaler, 2000). Moreover, Aaker and Joachimsthaler (2000) argue that to live up to the promise towards the customers the brand identity needs to reflect the business strategy and the firm's willingness to invest in the programs needed for the brand. This is further discussed by Ghodeswar (2008), who argue that the brand identity needs to focus on points of differentiation that offer sustainable competitive advantage for the firm. Berry (2000) examined branding in consumer service settings, and found that the brand's meaning have a major impact of the service experiences from the customers' point of view. Also the company reputation can have a significant influence on the buyer process and consumption experience in the service industry (Cretu and Brodie, 2007). This finding by Cretu and Brodie (2007) was also noticed by Kay (2006) who argues that to successfully create a strong brand strategy the management has to be able to manage the meaning of the brand. What the company wants to express when conducting brand related activities.

Berry (2000) argues that branding is not only used towards customers, it is also used internally by the service providers, if the organization can internalize the concepts and values of the service, the more consistently and effectively they are in performing the actual service. Moreover, de Chernatony and Segal-Horn (2003) concluded that for a service firm there must be common perceptions of the brand among all stakeholders and the employees are especially important since brand consistency depends on an understanding of the brand throughout the whole organization. This is further recognized by de Chernatony (2001) who argues that the values of a brand can be partially built through communication, however, employees or the organizations culture are also critical contributors to a brand's functional and emotional values. Employees have unique knowledge and skills which enable them to deliver the brand's functional claims, and when their personal values align with those of the brand, they are committed emotionally to delivering the brand (de Chernatony, 2001). To create a successful service brand the organization is dependent on reliable internal communication programs, which will lead to consistency in the experience of the service delivery, no matter with whom in the organization the customer contact occurs (de Chernatony and Segal-Horn, 2003). In sum, the

literature suggest that branding in small firms are to a large extent dependent on the values, vision and mission of the entrepreneur/owner/founder, the knowledge and consistency that he or she can maintain during the lifetime of the firm will make it easier in the creation of a solid brand image that is sent out to the external environment.

### **Organizational Identity**

Brand building is influenced by the organizational identity and therefore, the process of building a brand should have its roots from the values, mission and vision of the organization. By aligning the brand with the organizational identity the enterprise will obtain a more unified picture of the company in the minds of both customers and other stakeholders. According to Kay (2006) the corporate identity should consistently relate to what is central to the organization, and these should support the creation of a corporate brand. The main objective of corporate-identity management is to secure a competitive advantage for an individual organization (Balmer and Wilson, 1998). This is according to Balmer and Wilson (1998) based on the notion that the effective management of an organization's identity results in the acquisition of a favorable corporate image and, over time, of a favorable corporate reputation which leads an organization's key stakeholders and stakeholder groups to be favorably disposed towards it. Brodie, Whittome and Brush (2008) argue that service within the service industry involves more attention to integrating the role of the brand in a value-adding process, which create customer experience, dialogue and learning. According to Dall'Olmo Riley and de Chernatony (2000, p. 140 cited in Brodie *et al.*, 2008) the customer-brand relationship is the "reciprocity, mutual exchange and fulfillment of promises". Furthermore, according to Brodie *et al.* (2008) this adds to the importance of aligning what is promised – to make sure that the values of the employees, responsible for the delivery of the service, is in line with the strategy of the company. The service providers are a powerful medium for building brand meaning and equity, their actions with customers transform brand vision to brand reality (Berry, 2000). Therefore, employees that have genuinely internalized the values of the organization are more likely to engage in cooperative and spontaneous behavior in their service to the organization (Balmer and Wilson, 1998). To sum up, small firms can save time by establishing a solid corporate identity that is revealed to the external environment through their brand image, and by having employees that have embraced the organizational identity they have an easier task of sending a unified message through their branding activities to the outside.

### **Reputation**

Creating a strong brand identity, that is well understood and experienced by the customers, helps in developing trust, which in turn, results in differentiating the brand from competition, which leads to the creation of brand personality and a reputation of the brand (Ghodeswar, 2008). Reputation is presented to our reality by others, and is formed on the foundation of direct and indirect experiences (Dolphin 2004). According to Dolphin (2004) the corporate reputation is representing the judgment about the attributes of the company, it reflects the behavior revealed throughout all the decisions made within the company– large as small. Everything a company does, and does not do, has a direct impact on the reputation (Dolphin, 2004). Furthermore, Dolphin (2004) argues that reputation is an intangible asset, and it has become a critical resource since it has potential to create a unique value, and since the intangibility makes replication by competing firms more difficult. However, it is a very fragile resource – it takes time to build, and can be lost at a stroke. An important requirement for a corporate reputation, to contribute to business survival and success, is that it offers a distinct advantage in relation to the organization's external environment (Balmer and Wilson, 1998). To

manage the external image of the organization is one way to build and enhance a company reputation (Berthon, Ewing and Napoli, 2008). Since the firm's reputation is an intangible element of its business strategy, and with it the firm may signal its competitive intentions (Dollinger, Golden and Saxton, 1997). In the long run the creation of a favorable corporate reputation can result in gaining customer loyalty and achieve growth (Ghodeswar, 2008). In all, it seems fair to argue that a small firm would gain much if they have a clear understanding of what consistency in brand building would do for their reputation in the long run.

### Summary

The main findings in the literature review are that branding and the creation of a strong brand lies in the ability of aligning the corporate identity with the brand image. By concentrating the focus on the internal organization when creating the corporate brand the enterprise will gain a lot of favors in return. It is much easier for a customer to relate to a unified enterprise compared to an enterprise that communicates mixed messages. This is an advantage for small firms due to their size meaning that they have a less complicated task in creating a unified brand image that is anchored in the corporate identity. Also their locality is an advantage since they know the home market and can serve the customers on a more personalized way. By being close to the customers, knowing the attitude and need of their customers, they can build a positive reputation that will spread to potential customers as well.

The purpose of the literature review was to summarize current research on brand building in relation to small firms. Our review indicates that, there is still not much known about how small firms in the service sector organize and carry out brand building activities. Current research is primarily based on studies of large MNEs and the extent to which existing concepts and models can be used also for small firms in the service sector is still an open question. Therefore, we will conduct an empirical study to address this subject.

### Research design

This study employs an exploratory approach, trying to develop rather than testing theory, since there is a limited amount of research within the specific area. According to Jacobsen (2002) an explorative research is more open and gives no possibilities for setting up hypotheses. Therefore, this study draws on a qualitative approach, with multiple case studies, which according to Eisenhardt (1989) is particularly powerful for theory development. The case study is a research strategy which focuses on understanding the dynamics present within single settings, it typically combines data collection methods such as archives, interviews, questionnaires, and observations (Eisenhardt, 1989). Moreover, this study employs an iterative approach, meaning that theory is added during the entire writing process. According to Bryman and Bell (2007) an iterative approach involves a weaving back and forth between data and theory. The purpose of this method is to acquire a relevant base of knowledge for further studies, and therefore this research was not conducted in efforts of generalization, hence to find illustrative cases that could develop theory for small service firms. According to Eisenhardt (1989) the strength of theory building from cases is its likelihood of generating novel theory. The aim of this particular study is to build a tentative framework on the basis of brand-building in small service firms. To fulfill this aim a multiple case study was chosen as the best method to use, which according to Yin (1994) is good for obtaining multiple measures of the same phenomena.

## Case selection

According to Eisenhardt (1989) the selection of cases is an important aspect when developing theory, moreover, the population defines the set of entities which the research sample is to be drawn from. The selection of an appropriate population controls inappropriate variation and helps to define the limits for generalizing the findings (Eisenhardt, 1989). The population in this research will contain the Real Estate industry, mainly since real estate agencies are a typical service industry that uses the brand in all its contacts with customers and other stakeholders. The operational definition of small firms is taken from the European Commission who says that small firms are all firms up to 49 employees (EU Commission, 2008).

This research will consist of three cases. The cases were chosen within the same line of business to control the organizational context, however, by using multiple cases this research will get a wider scope, meaning that a deeper understanding of the small service firm context will be reached. The research will gain different views upon brand building since all companies are unique and have their own niche when it comes to revealing themselves towards the market. The three companies were also chosen due to the difference in size ranging from two employees up to twelve employees. This was done in effort for detecting if size affects the creation of the brand, and to get a wider understanding of how small service firms might differ. Since, there could be differences between a company with only two employees and one that has twelve employees. The description of the respondents is explained in table one below.

Company	Profile	Characteristics	Structure	Respondent	Employees
<b>A</b>	High fashion, high price real estate in the more fashionable parts.	High knowledge, responsibility and dedication. A company that aims for the high end market and strives for professionalism towards customers.	Hierarchical with a management that are in control of the decision process. The employees are involved in the daily decisions but not the business strategies.	Owner/Founder /CEO of the company.	12
<b>B</b>	High level of quality and dedication in every object.	Consistency and a strong focus on integrity.	Flat organization where all employees are part of the entire decision process.	Owner/Founder of the company.	7
<b>C</b>	High knowledge in the local market with up to date marketing activities.	Focus on market themselves as the personal company with close cooperation between client and company.	Organic structure where both persons involved have equal amount of say in the decision process.	Owner/Founder of the company.	2

Table 1: Description of the respondents

As this study employs an exploratory approach, semi-structured interviews were chosen as the best form of interview. This is supported by Yin (1994) who argues that interviews are one of the most important sources when conducting a case study. The semi-structured interview is a good alternative since the interviewees have the possibility to speak freely and the interviewer's are able to add questions during the interview to take hold of the moment. Furthermore, the interviews were recorded giving the researchers the possibility to review the entire data, a good technique since the researchers are able to go back and make sure that no important aspects had been missed. The cases in the research consisted of real estate agencies that are considered to be small businesses, all three enterprises have less than fifteen employees and are not tied up to any large real estate chains. The purpose of this is to get local companies that have positioned themselves towards different customer groups and that have used their locality to bring extra value.

To ensure high validity in the interview guide, it was pre-tested on one company before it was used on the actual respondents. After pre-testing, the interview guide was revised and simplified so the interviewees could get a better understanding of the meanings from the questions (see appendix). Besides interviews, company web-sites as well as additional information that was received during the interviews where used as empirical data. The owner/entrepreneur was identified as the person with most knowledge in connection to the brand-building process and was chosen as the respondent for each company.

### **Method of analysis**

According to Eisenhardt (1989) the process of analyzing empirical data can be described as a systematic process of building theory, where patterns and regularities are more of interest than just the observations that have been made, and in this the aim is to end up in a development of existing theory aimed particularly on the small service firm and a tentative framework for further inquiries. According to Jacobsen (2002) the qualitative analysis consists of three things: describing, systematization and categorization, and finally combination. At the final stage the combination, the researcher starts to interpret the data, looking for meanings and causes in the effort of finding hidden relationships. This is in line with Kvale (1997) who describes categorizations of meanings, which reduces and categorizes a large amount of data into tables and models. However, this analysis also have influences of narrative structuring (Kvale, 1997, pp. 174) as a way of describing the stories that have been told during the interviews and tries to develop the meanings of them and build a new story upon the gathered data. Therefore, this analysis uses an ad hoc approach, which according to Kvale (1997) is when the researcher switches between different techniques in the effort of finding connections and structures that will be of gain for the research. This method was used as a mean to develop existing theory from the empirical findings together with earlier theory. By taking this viewpoint and compare the findings from the different respondents, patterns are possible to distinguish, both in the form of similarities as well as differences regarding the brand building activities that the small firms have developed during their years of existence. At the end a conceptual model was created to show how the brand building process looks like in the eyes of the researchers with the help of the empirical findings.

### **Empirical findings: Brand characteristics of small service firms**

The findings from the respondents emphasize that brand building is a mean for companies to present themselves towards the external environment and to create a higher emotional meaning of the company in their relations with customers and other important actors. In line with the literature, it is

evident that brand building is an important issue for organizations since it has been proven that it yields a number of marketing advantages and increases companies' competitive strength (Ojasalo *et al.*, 2008). The three cases have shown different approaches to increase the company value, for instance the way to use different media and forum to increase awareness. This is done by being present in different environments to increase the awareness among particular segments, and the use of new forms of advertising to create curiosity among potential customers. Also, by being able to point out differences in the company's brand identity from the ones of competitors, the firm will create opportunities for developing a sustainable competitive advantage against its competitors (Ghodeswar, 2008). This is done through the process of aligning the organizational identity with the brand image, the way the company wants to be seen in the eyes of the environment.

By managing the meaning of the brand the organization creates an opportunity for the management to build a strong brand strategy that is directed towards customers and other stakeholders (Kay, 2006). There are different approaches to managing the meaning of the brand and the three cases shows that even though they are all small service firms, they have an understanding about the importance of sending a unified message. This is created internally through a variety of team building activities. With this said, the importance does not only depend on the management, the employees are also critical contributors in building a successful brand. The success of a service brand lies in the communication inside an organization. If companies are able to align the organizational identity with the brand image which is the external image of the company, they can, according to Berthon *et al.* (2008), build and enhance the corporate reputation. The respondents have different ways of linking the organizational identity to the brand image. This could be because they are different in size and have different approaches when it comes to making decisions about how to perform their branding activities. However, during the interviews it has become evident that all three firms have a plan for how they should create their brand image. From the empirical findings different key words that they explicitly or implicitly refer to in their efforts to build a consistent branding plan have been detected. These key words are summarized in table two and further explained in each of the following three parts.

Strategic aspects	Emotional aspects	Organizational aspects
High service level	Integrity	Financial Resources
Professionalism	Openness	Know-how
Consistency	Honesty	Creativity
Durability	Respect	Structure
Selectivity	Heritage	
Versatility		

Table 2: The three aspects derived from the empirical findings

### Strategic Aspects

In this research a number of important characteristics have emerged during the empirical analysis that have an impact on how small service firms conduct and build both their organizational identity

and their brand. The first issue derived from the empirical analysis is the strategic aspects which include:

- High service level – to make sure to deliver what the customer expects with a high quality
- Professionalism – the expert characteristic of the company's employees
- Consistency – harmonious uniformity, fulfillment of a message in relation to performance
- Durability – the endurance of the company, to build on long-term orientation
- Selectivity – to be consistent in the business, be honest and understand limitations
- Versatility – to overcome changes in the environment through an open mind

These factors could if managed well lead to a positive recognition and image of the firm in the long run. When going through the three respondents it is evident that there are differences, which are apparent when looking at the size and how it affects the way of building and working with both the organizational identity and brand image. High service level and professionalism are characteristics that all are keen on upholding when building the firm's identity, which is then displayed in their branding activities. To keep a high service level is a way of delivering the quality demanded from customers. This was explicitly expressed by both respondent A and B as follows:

*“Our brand shall be seen as a little bit more expensive, which makes the customer want more, that little extra, that is what we strive for, that our customers shall expect something more for their extra money spent by hiring us. ...the customer shall feel exclusivity when they turn to us instead of somebody else.”*  
– Respondent B

*“We stand for exclusivity, demanding clients, aware of the presence and successful. We have a niche that is hard for competitors to get in on. If you want to trade up in this business it is us the people want to come to.”*– Respondent A

To display the company, and especially the brand name, an important aspect is to present a unified picture towards the customers. This leads to consistency and durability, which the respondents have split opinions about, and it is mainly between respondent C which only has two people in the organization and the other two respondents, where differences appear. This is because of the fact that respondent C has been working alone and has not put any direct thoughts in the importance of consistency and durability, and therefore matters like budget planning, structure of the organization, visions and goals, have been neglected since profitability have been the primary goal. However, as the organization grows, and more employees are involved, matters like consistency and durability in brand building activities become more important for the small firm. The more persons that represent the company, the more important become the leadership role to maintain a unified picture. This was expressed by two of the respondents as follows:

*“And also the fact that we have hold on to our niche that we focused on from the start is a contributing fact as I believe for our success. You have to be consistent in your actions and not change track all the time, which will hurt more in the long run.”*– Respondent A

*“...it is not until just recently that we have started to work with building up visions and goals for the company. This is much because of the increase in employees who has come with suggestions and inputs in the importance of having goals. We try to get some structure in the company today, and that is something that has been neglected in the past.”*– Respondent C

By being consistent in the marketing activities all three firms believe that they create a solid image and the image is also built as an aim to increase the recognition of the firm. This is supported by Kay

(2006) who argues that managers should apply a logic of consistency to branding decisions. This is also supported by de Chernatony and Segal-Horn (2003) who argues that to ensure consistency the organization needs to make sure that the employees has an understanding of what the brand stands for. By upholding a unified profile, and by building the company identity on the values that are rooted in the employees, the company could gain a positive reputation and word-of-mouth. This could be achieved by being versatile to the never ending changes that occur in the business life which are critical to handle when building a unified organization. However, the versatility should not inflict so much so it affects the consistency in the firm. To always be present is extremely important, and that customers always can see the presence is essential. The respondents mentions the importance of selectivity, that is, to be careful when taking on new objects so they are within the limits of what the company stands for and are able to handle. By being selective the small service firm are able to do what they promise which is important when building up a reputation that is seen positively in the eyes of future customers.

### Emotional Aspects

The second part addresses the more emotional aspects of the firm. It is focused on the emotional relationship between the organization and its customers. This part contains:

- Integrity – the morale aspects of the employees and company itself
- Openness – the actions and purposes of the employees, the attitude of accessibility
- Honesty – the attitude towards the truth
- Respect – having an aspect to something, accept the privacy of the customers
- Heritage – to keep, maintain and evolve the true values of the company

These factors are important characteristics that have been influencing the respondents in the attempt to reach a favorable reputation and a competitive advantage. Building a brand is not just a matter of conducting various types of marketing activities. What is as important as the marketing activities is how you work with building up the organization, as well as making sure that everyone inside the organization delivers a unified picture of the company. By building an organizational identity the employees can deliver a brand image towards current and potential customers in a unified manner. This is done by focusing on the emotional aspects that is derived when people interact with each other. In the empirical findings characteristics like integrity, openness, heritage, respect and honesty was considered as the most important aspects when building relations both within the organization and with people in the external environment. This was explicitly expressed by respondent C as follows:

*“... we want to be known as a serious company, that stands for security and closeness, which we see as strength. The personality is very important for us as a small firm, that we have close connections to our customers. ... The identity is built on the personalities within the company and it gives us a competitive advantage against our competitors” – Respondent C*

The how is important because it will decide in what ways your company will be seen in the eyes of the customers. To stress emotional aspects like integrity – to always keep a high level of morale towards customers – creates a feeling of respect as well as honesty. This can build a positive image of the company which will help in the creation of the brand, and can also in the long run lead to a positive reputation. This positive reputation can then be used as a competitive advantage when competing against other actors on the market. This was expressed by respondent B as follows:

*“It is very important that our employees behave in a good manner in all possible situations even when they are not working they are representing the company. The identity is built on both the company and on our employees and how they act.” – Respondent B*

As Dolphin (2004) stressed, everything that a company does, and does not do, has a direct impact on the reputation. The emotional bonds create strong links between the customers and the company, meaning that the relationship on a personal level is of great importance. The acting, and personality, of the employee thereby becomes highly important to the organization.

## Organizational Aspects

The third and last part concerns general problems that the small service firm's are presented with as they grow, and these are relating to the structure of the organization, and how it influences the decision process within the firm. This decision process have an influence on how brand building activities are created, since the structure of the decision process affects the number of people involved in decisions around the brand. In this part the following factors are concerned:

- Financial Resources – the financial support needed, when it is needed
- Know-how – the skills of the employees, explicit and tacit knowledge
- Creativity – the ability to think in a innovative manner
- Structure – the overall form of the organization, the channels of communication

These factors will be discussed as a mean for building a strong brand. The empirical findings together with previous research propose that resources have been argued to be a scarcity when performing branding activities in small firms. However, resources are not the main issue; it is how you make use of the existing resources in your positioning of the brand that are more important. In the empirical findings there are evidences that small firms are able of communicating their brand image through alternative channels that are less resource based. With this they can build a local awareness that in the long run could lead to a positive reputation of the firm, that might lead to a very effective way of market themselves with the help of word-of-mouth. This was explicitly expressed by respondent B as follows:

*“We do not see it as a limitation on the local market. We have good resources for displaying ourselves locally and we feel satisfied with our marketing activities.” – Respondent B*

Even though the financial resources are scarce, the firms experience that they have the know-how they need in their efforts of creating a strong brand image, an image that is derived from the organizational identity. By always attempting to make sure to test new employees, manage them to interact in the small homogeneous group that exist in the small firm, they are able to continue to build a solid organization that has a common goal, and vision, for the future.

By building a unified organization the firms create a team-spirit which is a vital part when creating brand activities since it is related to creativity. Because, if more people are involved in the creation of brand activities, more creativity is available in the sense of more inputs – if the involved persons are given the freedom to speak their mind. This is very important to bear in mind. If the employees feel that they have the trust from the management they are more able to produce creative ideas that will be a benefit for the organization. These three concepts – financial resources, know-how and creativity – are something that will affect the organization as it grows, and as the structure changes. There is support in the empirical findings that point to a shift in how the small service firm makes use

of their employees when building both their brand, as well as their organizational identity. Since the respondents represent firms that are in different stages of their organizational development patterns can be seen in how growth affects the decision process when it comes to branding. This was explicitly expressed by all respondents as follows:

*“We have left the small firm segment and today we work more like a large organization, this is seen in our structure of the firm which has more resemblance with a large organization than a small organic firm. The decision process has shifted during the years from the collective to a more hierarchical style.”* – Respondent A

*“We are still in a stage where we work in an organic manner where all persons involved in the organization are involved in the decision process when creating and building brand activities.”* – Respondent B

*“Both me and my employee have equal say in the decision process and are part of all decisions that are made. Since we are quite small our decision process is very quick which makes us very adaptable when the market changes.”* – Respondent C

These statements from the respondents can be seen as a picture of how firms changes as they grow, it is also a support for how the decision process when building the company brand moves from being a collective task – where all employees in the organization are involved in creating ideas on how to build a unified image – to becoming a more structured and management task. Even if all three companies are considered to be small they have very different structures that have limitations and advantages when conducting brand building. In the largest company the respondent argue that the growth of the firm has not come without complications.

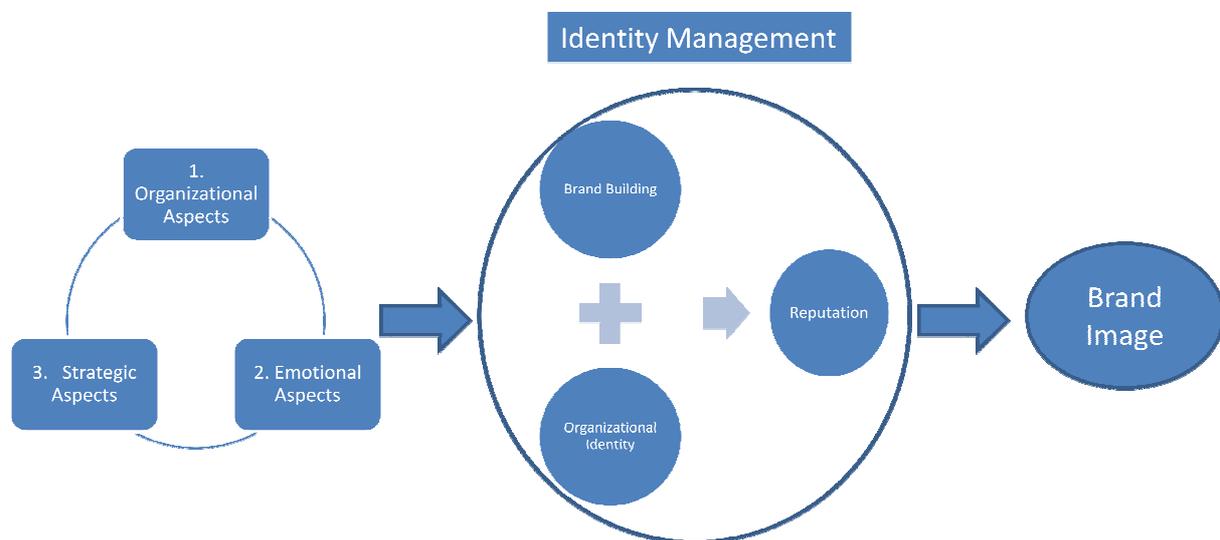
*“During the last couple of years we have lost ground when it comes to creativity in our marketing activities and we want to become more creative, but for the moment our resources are limiting us.”*  
– Respondent A

As the organization grow the decision process changes from involving all in the organization to just involve the top management. Since company A has grown quite a lot and as they say it has left the small segment, some patterns could be drawn to organizational structure and how that inflicts on the creativity. This is supported by Chaston (1997) who makes a difference between the bureaucratic and effective-entrepreneurial structure. When a company grows it changes from the organic towards the more structured organization, and according to Chaston (1997) the small firms that are able to go front and back between the two structures will be more successful and also keep the development potential. The focus has been on growing as a firm in size, and when they have grown the need for more costly marketing approaches have been needed to reach out to more potential customers. However, these new marketing channels are in the present time too costly for them, and also the fact that the decision process has shifted from involving the entire company to only the management have made an impact on the input of creative ideas when deciding upon marketing activities in the firm. This could be seen as a visualization of the obstacles that the small service firm comes across when taking the decision on going from the organic towards a more bureaucratic structure.

## Conceptual Model

Based on the factors derived from the recent study which can be seen in table two, the authors concluded a conceptual model. The first part is the organizational aspects, which will set the limit for possibilities within the firm. This is related to the strategies that the firm can apply when developing, and maintaining, brand related activities. The second aspect is the emotional aspects which is related

to the employees of the firm, the employees that express the vision and personalize the company image – this is related to the organizational identity. The third feature is the strategic aspects which are related to concerns about the recognition of the firm, what a company should concentrate their attention to in order to develop a brand identity. If these three concepts are managed well, and used together, the firm will have an easier task of presenting a unified picture of the company towards customers and other stakeholders. These three aspects have different components which are all part of the identity management of the firm. Identity management will be the strategy for developing and maintaining a clear and consistent identity. The identity management is then used as a way of building both the brand and the organizational identity that could create a positive reputation. The model show how the three key aspects developed in this study are combined to reach their purpose. However, it is an ongoing process where all three parts affects each other. When considering the different aspects, and the characteristics of each, small firms will have the ability to perceive vital parts for gaining success in the market when building their brand. If it is performed well and all aspects are considered the firm can gain an appreciated brand image.



*Model 1: Identity management and the three aspects*

## Conclusion

Brand building is an important aspect for all companies today and during this study several important aspects have emerged. First of all, small service firms are dependent on their brand and how they are seen in the eyes of the customers. Therefore, they have to think at all time on what they do and how it will affect them in the long run. Furthermore, the way of structuring the organization has an impact on how brand building activities are performed and created. The findings propose that as the firm grows the flexibility and creativity is affected both in a positive and a negative manner. The positive side in growing is the increase in resources. However, growth will also affect the structure of the decision process. It has been evident in this research that when the small firm has grown the decision process has shifted from the group towards the top management. By doing this they lose the opinions from their employees who are out meeting customers, which gives them feedback that could be used when creating new marketing activities.

When operating on a limited niche market the resource does not necessary have to be scarce, even though the company in fact has limitations. It can lead to creativity and open up eyes for differences,

to generate new ways to reach potential customers. The potential to reach the targeted customer group is enough. One has to bear in mind the limitations in capability as well, the companies can simply not attract too many customers – it will lead to marketing failure and force the company to turn down possible clients – which is not a good thing to do. The marketing activities have to be in relation to the capabilities – which show the importance of selectivity.

Another attribute that has emerged from this study is the importance of emotions, and the importance of emotions when building relationships with customers. The importance of making use of the emotional aspects has been very clear with all the respondents during this study. Emotions create a strong relation between the firm and its customers which, if handled in the right way, can lead to a positive reputation, and in the long run lead to a competitive advantage in the shape of word-of-mouth activities from old customers.

The most apparent factor, related to the strategy of the company, is the consistency – to always do the right thing in the right way. No matter what, the ability to deliver what is expected is of great importance, this will generate a picture of professionalism and quality in the minds of the customers. The customer will appraise the company upon the degree of fulfillment of demand and need. If one focuses on a niche market with high expectations of service one has to assure to deliver in accordance with those expectations.

### **Further Research**

During this research several relevant aspects for further research has emerged. First of all the field of small service firm branding is still a neglected field that needs more attention and during this writing process we have gotten new ideas of further inquiries in the field. This study was made on only one industry the Real Estate and therefore it would be relevant to continue and make a study on different industries that works with services. This study could be done in a qualitative way taking various firms from different industries in the quest for generalizations about small service firms and their way of working with brand building. Another relevant study would be to investigate how small and medium sized service firms work with their brand when entering the international market, if they use alternative methods when branding international.

Moreover, a longitudinal study would also be relevant in order to get a better understanding of how small firms work and what aspects that are considered when creating the brand. For the longitudinal study the framework that has been created in this research could be used as a base. Lastly, a quantitative study on a large scale sample consisting of small service firms as well as medium sized service firms would be relevant to do in an effort to test if the findings in this article are generalizable.

### **Limitations**

The limited amount of respondents should also be taken into consideration when interpreting the results. Therefore, generalizations can only be done cautiously between the cases and within the same line of business. More research is required in order to draw general conclusions and recommendations that can be applied to more service industries that face the same issues when it comes to branding.

### **Managerial Implications**

To build a brand is not an easy task, to be successful in the creation of a strong and durable brand companies need to invest both money and time, especially time. In this research a number of

important aspects have been pin-pointed during the interviews with the different case respondents. So in this section the authors want to give their point of view in a managerial perspective that can be of use for owners/managers.

First of all, all respondents stressed the importance of the alignment between the organizational identity and the brand as the most vital aspect in the creation of a strong brand. To always go back to the internal values, beliefs and goals is essential for the creation of a clear and well functioning brand.

The second aspect that we would like to address is how growth affects the way of working with branding. During the empirical findings it has become evident that as the company grows the way of conducting brand building activities changes. This is something that could be very stressful for the small company since changes in the decision process will affect the creativity that the company once had when creating marketing activities. As the decision power shifts from the group towards the management fewer people will be involved and that will inflict on the creative parts that the company once had when the entire organization was involved and came with ideas. So as an advice for managers; do not forget the importance of new ideas and feedback from your employees, they are a vital part in a successful creation of branding activities.

The last aspect that we want to address is the emotional aspects and their importance when working in a service industry. They are probably the biggest advantages that a small firm has when competing with larger companies. Since, the smaller the company is the more personal the contacts will be between the customer and the company. These emotional aspects is also parts that should be used when conducting marketing activities, stress the way you make business and highlight for the customers who you are and what you will bring to the customer when hiring you.

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## Appendix

### Interview guide for Small Service Firms

#### *Brand building*

Is marketing something that you put a lot of focus on in your daily business?

What kind of marketing activities do you use?

How would you like to describe your brand, i.e., the impression given by your company name? What does it stand for?

What do you associate when I say brand building? (What does the term mean to you?)

How do you consider brand building in your company?

Do you exercise any kind of special activities to build up your company brand?

Is brand building something you think would improve your reputation on the market?

Have you ever been in contact with a brand building consultant?

Concerning brand building, does your company have your organizational identity as a starting point or do you focus on adapting to the consumers need?

#### *SMEs*

How does your organization chart look like, who is responsible for what?

Do you strive to grow or are you pleased with the size of the company?

Do you think that your size and local knowledge is an advantage in your competition against larger companies within the same industry?

How have your role as owner/entrepreneur affected the way your company is conducting business?

When you plan your strategies for the company, do you have an open dialogue where all the Employees have the possibility to participate in the decision process?

Is it hard for you as a small company to attract skilled personnel due to the fact that you compete with larger companies?

When you hire new personnel, do you look into the person's awareness concerning your visions and goals, and is it important when you take the final decision on whom to hire?

#### *Resources*

Which is the most valuable resource in your company according to you?

Is the size of your company an influencing factor when it comes to resources and the form of marketing activities?

Do you feel that you have resources enough concerning employees to shape and accomplish brand building activities?

#### *Service Industry*

What would you say is your most valuable resource as a service company?

Is transparency a good or bad thing for you as a service company, since everything you do is visible to your customers and your competitors?

### ***Organizational Identity***

How would you describe your organization's identity, i.e., the values and standpoints your organization has?

How do you as a company work with your identity?

What is the main purpose for you concerning the formation of your identity?

Is your identity something that you connect to your brand building activities, and how do you proceed?

Do you think your identity has a competitive advantage towards your competitors, in which way?

Would you say that your employees are well informed about your vision and goals, in an attempt to send a unified message to your customers?

### ***Reputation***

Is your reputation something you are concerned with in the company?

What do you do to improve your reputation among your customers?

How is your brand building affected by your reputation?

Do you feel that your reputation is a competitive advantage on the market, and in which way do you use the reputation as a competitive advantage?