Branding Strategies of Swedish Technology Startups: A Multiple Case Study
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Philip Johansson

Emil Strindemark
Abstract

Branding strategies in the context of startup companies has been vaguely investigated. This is surprising since companies in the early startup phase recognize a need to quickly create brand equity in order to differentiate themselves from competitors to rise above the clutter in the market space. The objective of this study is therefore to investigate what branding strategies Swedish technology startup companies employ to create brand equity. Founders of four Swedish startup companies within the technology industry has been interviewed in order to gain insight in the context of startup companies and what branding strategies they employ. The authors present some common denominators between the branding strategies that are used. It is concluded that it is crucial for startups to create brand awareness. It is also recognized that startups rarely communicate company values. Instead, functional benefits and product characteristics are often communicated. Lastly, it appears that the overarching branding strategy of the studied startup companies is their emphasis on the importance of being perceived as different compared to competitors.

Keywords: Branding Strategies, startups, Swedish technology industry, brand architecture, brand equity, generic competitive strategies.
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1. Introduction

The first chapter involves an introduction to branding strategies and explains why it is interesting to study. The problem formulation will be presented and initially showcase previous research before presenting how it relates to this study. The purpose, research question and delimitations will further familiarize the reader with the direction of this thesis.

1.1 Background

In 1955 Leo Burnett said, “Before you can have share of market, you must have share of mind”. The guru of advertising was referring to branding and that brands only exist in the minds of the customers (Doyle, 2011). Branding is the process of differentiating a product or service from the offerings of competitors, hence a brand should be noticed and stand out from the clutter in the market space (Kohli, 1997; Wood, 2000; Doyle, 2011). It is argued that the brand is one of the most valuable assets for companies (Keller & Lehmann, 2006) and a strong brand is said to have high brand equity (Aaker, 1991), which is created through branding strategies. However, a small local company may not understand that their business is a brand, and if they do, they may not exercise branding strategies as part of their business operations. This mindset is commonly reinforced by managers’ beliefs that branding require a considerable amount of resources and investments (Abimbola, 2001) and the clear difference between big and small companies in terms of investment capabilities (Krake, 2005). On the other hand, Timmons (1999) argues that if startup companies are not able to relatively quickly establish a well-recognized brand in the market the company will soon disappear. Likewise, Ha-Brookshire and Zhao, (2014) argue that several entrepreneurs are convinced that a well carried out positioning of a brand is one main reason why companies survive the first years in business. However, according to Merrilees (2007) and Krake (2005), branding research is often directed towards big organizations and vague focus has been allocated towards branding in startup companies. Despite this, Keller (1993) states that all organizations, big or small, can pursue branding and Wong & Merilles (2005) further argue that there is a difference in terms of which branding strategies to employ, depending on the size of the company. Sivathanu (2016) is further strengthening this statement by arguing that
different companies should pursue different branding strategies depending on industry, profile and resources.

1.2 Problem Formulation

Troung et al. (2017) states that the risk perception of buying a product from a well-known company is lower. One could therefore question why the amount of research about branding strategies for startups is limited since it is crucial for newly established companies to show high credibility in order to attract new customers (Kohli, 1997). In 2015, a reporter for the newspaper The Telegraph looked towards Sweden and claimed that Stockholm is the second most influential city for startups within the tech industry after Silicon Valley (Davidsson, 2015). As the Swedish startup scene is gaining more attention it is likely that research presenting branding strategies for Swedish startups is welcomed.

Bresciani & Eppler (2010) has previously conducted a study with the purpose of presenting common branding strategies in newly started companies in Switzerland. However, the study only focuses on one country which results in some limitations since branding is often carried out differently in different markets (Seo, 2015). Furthermore, previous researchers studied companies that already had established strong brands and were seen as successful in their respective field. This limits how much insight the previous researchers provided in the field of branding strategies within newly started companies. Similarly, Merilles (2007) has aimed to increase the understanding of how different branding strategies can be used to further develop the brand of small- and medium sized companies by only examining successful entrepreneurs. One could question the idea of only studying successful organizations since less successful companies will be overlooked and a clear picture of the different branding strategies that are used will not be presented. Moreover, the majority of the research within the field of branding is conducted on consumer products, such as items from the supermarket. Furthermore, these products are oftentimes produced by large corporations (Merrilees, 2007). This observation provides the opportunity to fill the gap by examining other industries.
Schoenfelder and Harris (2004) has conducted a study about branding strategies in companies that are active in the technology industry but the research in this area is otherwise very limited. The focus of the study was on companies within the mobile phone industry, this calls for further research being made in other technology industries. Furthermore, the study was made from a consumer standpoint and how they perceive high-technology corporate brands, not how the companies employ branding to influence consumers. This further motivates research in the area of branding strategies carried out by companies within the technology industry from a company point of view.

In summary, the gap in the literature which motivated this study include the limited amount of research of branding strategies in startups and the claims that branding should be used by all companies (Wong & Merilles, 2005). It is important to fill this gap in the literature since it is argued that it often takes long time for companies to create brand equity (Aaker, 1991) while, at the same time, it is said to be crucial for startups to quickly establish a strong brand in order to survive (Ha-Brookshire & Zhao, 2014). Lastly, the recent international interest of Swedish technology startups (Davidsson, 2015) also motivates the relevance of this study.

1.3 Purpose

The purpose of this study is to investigate branding strategies used by startup companies within the Swedish technology industry.

1.3.1 Research Question

- What branding strategies do Swedish technology startups employ to create brand equity?

1.4 Theory and Method

The presented findings will be connected to Aaker's (1991) framework of brand equity and Porter's (1995) generic competitive strategies. These theories are to be presented in the following paragraphs. Since there are several theories to use in order to present branding strategies it is necessary to limit the study and the authors believes
that these theories best cover the most important aspects of branding. A qualitative case study approach was used to explore the branding strategies employed by four startup companies within the technology industry.

1.5 Delimitations

This thesis only studies Swedish startup companies that are active in the technology industry and it is therefore believable that branding strategies, used by startup companies within other industries, has been overlooked. All studied startup companies are argued to be in the technology industry since they are offering products and/or services that are of a technological nature. The presented findings are based on interviews made with the founders of the studied companies. Hence, the branding strategies are investigated from the companies’ point of view which allows the researchers to present what strategies these companies use and not how stakeholders perceive the specific brands.

1.6 Contribution

This study contribute to the research within the field of branding strategies pursued by startup companies. By having examined Swedish technology startups this study showcase various branding strategies that startup companies are pursuing in order to build their brands. The study is also contributing to practice by presenting common characteristics within branding strategies used by startup companies. Also, some suggestions are presented regarding what startup companies could consider when developing a branding strategy.
2. Frame of Reference

This chapter will initially present startups, brands and branding strategies before the attention is put on theories and approaches used by previous researchers within the field of branding. The frame of reference chapter is a foundation that will support the authors when collecting and analyzing information.

2.1 Startups

Startups refer to small new ventures in the initial phase of business and are therefore often dependent on investors (Carayannis, 2013). Startups are often technological in nature and characterized by their high growth potential, risk willingness and innovativeness (Carayannis, 2013).

2.2 Brands and Branding

A brand refers to a name, symbol (i.e. package design, logo or trademark) or both in combination which are considered to have distinguishing characteristics (Aaker, 1991). Brands are strengthened through branding and aims to differentiate companies, products and/or services from competitors. The brand protects both the company and its customers from competitors trying to imitate their products or services by identifying the source from which the products or services come from (Aaker, 1991).

2.3 Brand Equity

The assets and liabilities connected to a brand refers to the brand equity (Aaker, 1991). A brand with strong equity adds value to a company and can justify premium prices for their products or services, which directly impact the company’s revenue. However, the company needs to continuously invest resources and be aware of external forces in order to maintain and develop a strong brand equity (Doyle, 2011). The assets and liabilities are directly linked to the brand and can therefore not necessarily be transferred into a new brand. However, if a transformation would appear in terms of a new brand name or logo, the assets and liabilities can be affected and, in the worst-case scenario, they could be lost (Aaker, 1991). Brand equity can be divided into four main components including brand awareness, brand associations,
perceived quality, and brand loyalty (Aaker, 1991) – each of which is discussed below. However, the component of brand awareness is of most importance for startup companies, since Timmons (1999) argue that newly founded businesses must as soon as possible establish a well-recognized brand in the market space to avoid bankruptcy. Similarly Aaker, (1991) states that brand awareness is vital, and even more so if the businesses is new. Therefore, the authors will allocate extra focus towards the component of brand awareness.

2.3.1 Brand Awareness

Brand awareness refers to the extent a specific brand is recognized by a potential customer within a predetermined product category (Aaker, 1991). A product or service provided by a brand that is recognizable by the customer is more likely to be picked than a similar product or service from another brand to which the customer is unfamiliar to (Aaker, 1991). If a certain customer is familiar with a brand that customer often perceives that brand to be reliable and of quite good quality. In order for a specific brand to be chosen over another must the brand be part of the customer's evaluation process. To be part of that process is the brand required to enter the customer's consideration set (Aaker, 1991). Furthermore, Aaker (1991) argues that a company must consider two factors in order to increase its brand awareness; establishing the brand name and connecting it to the suitable product category. Brand awareness is a cornerstone in the brand equity, however brand awareness becomes especially important for newly established businesses. The brand name needs to be well established before communicating specific attributes of a certain product or service, since the customers must be provided with a brand name to connect these attributes with. When the brand name eventually is well established and has gained recognition, the task of linking attributes to the brand name easier to achieve (Aaker, 1991). Moreover, Keller (2008) further elaborates on the name aspect in brand awareness. A company should consider the simplicity of the brand name in terms of spelling and ease of pronunciation. One way to simplify a brand name is to make it short. A short brand name does often give a brand an advantage in terms of customer recall since the customer have an easier time encoding and storing the brand name in the mind (Keller, 2008). Examples where marketers have taken a brand name and made it shorter to favour recall of the brand is: Coca cola, “Coke”, Budweiser, “Bud”
and Chevrolet, “Chevy” (Keller, 2008). The brand name should also be easy to pronounce in order to facilitate word-of-mouth. Important to mention is that a customer might avoid pronouncing a certain brand name due to embarrassment, if (s)he is uncertain about the pronunciation (Keller, 2008). If the brand however is hard to pronounce, the company need to teach their audience how to pronounce it through marketing efforts, which require additional investment and resources (Keller, 2008). In addition to making a brand more recallable for customers it is also essential to enhance the brand recognition. In order to increase the recognition, the brand name should preferably be distinctive and different, this gives the consumers an easier time distinguishing a certain brand from its competitors (Keller, 2008).

### 2.3.2 Brand Associations

Anything that is connected to a certain brand and reminds the customer of that brand when (s)he is exposed to it refers to brand associations (Aaker, 1991). Brand associations creates value for both companies and customers by providing reasons to buy through differentiation and creation of emotions towards the brand (Aaker, 1991). Each association has a level of impact, and can be stronger or weaker depending on the communication exposures experienced by the customer (Aaker, 1991). Furthermore, Keller (1993) argue that the impact and the strength of the association can be seen as a function of the quantity and the quality of the information provided for the customer. The quantity in this case refers to how long a customer is processing the information exposed to him or her. Whereas the quality instead refers to the relevance and meaningfulness of that information as perceived by the customer when processing it. This suggests that associations tend to be stronger if a customer is exposed to information for a longer time in correlation with that information being perceived as relevant or meaningful for that customer.

### 2.3.3 Perceived Quality

Perceived quality is an intangible factor and is defined by the overall quality of a product or service perceived by the customers. The intended purpose for the product or service available to the customer does also play an important role for the perceived quality (Aaker, 1991; Keller, 2008). Perceived quality is hard to determine since
various customers have different personalities, preferences and needs, hence they have different perception of the quality of a certain product or service. However, reliability and performance are two underlying dimensions that perceived quality often is based on (Aaker, 1991).

### 2.3.4 Brand Loyalty

Brand loyalty is crucial for companies and refers to the customer base. It is significantly important to strive to satisfy the customer base in order to not lose them to competitors. In fact, the loyalty provided by the customer are diminishing the risk from competitive action, since competitors does not necessarily bother to invest resources to appeal already satisfied customers (Aaker, 2011). Although, there are different levels of customer loyalty. A company preferably achieves a high customer loyalty which can be referred to customers who pursue to continue purchasing goods or services from a specific company, due to the brand and the value it possesses rather than lower prices and superior features provided by a competing brand (Aaker, 1991). Brand loyalty further refers to how unwilling a customer would be to abandon a brand for a substitute product or service provided by competitor. Moreover, maintaining satisfied customers are demanding a relatively low-cost if one compares it with the often higher cost of acquiring new ones (Aaker, 1991; Doyle, 2011). Important to keep in mind is that existing customers to some extent also give referrals to new potential customers (Aaker, 1991).

### 2.4 Branding Strategies and Brand Architecture

The central part of branding strategies is to position or reposition a brand in the mind of the consumers (Doyle, 2011). In order for a specific branding strategy to be successful it must consider the objectives and the investment plan beforehand. Furthermore, the branding strategy should influence all communication and marketing efforts as well as the overall business strategy of the company (Doyle, 2011). Startup companies’ success is heavily dependent on the choice of the branding strategy (Troung, Klink, Simmons, Grinstein, & Palmer, 2017). Brand architecture refers to whether the company decides to employ either a corporate branding strategy, product branding strategy (Keller, 2008) or mixed branding strategy (Rao, Agarwal &
Dahlhoff, 2004). Each of these strategies are described below and the decision of deciding what brand architecture to use is vital for companies as it refers to whether a company should operate in the market with one brand across various product categories or several individual brands distinguished from one another.

2.4.1 Corporate Branding Strategy

A Corporate branding strategy is being employed by a company when the product or service share the same brand name as the company or corporate brand (Yu Xie and Boggs, 2006). All the products including the company itself share the same brand identity and are supposed to express the common core values that the company is built upon. These core values make up the identity for the whole company and are the cornerstones within the corporate branding strategy (Yu Xie and Boggs, 2006). Nike and IBM are two examples of companies using a corporate branding strategy (Yu Xie and Boggs, 2006).

The connection between the corporate brand and its core values are crucial in terms of the company’s competitive position and its brand equity. Nowadays product differentiation is becoming more and more difficult due to a complex market where products and services are easily imitated. Therefore, Yu Xie and Boggs, (2006) argue that corporate identity and values has come to be seen as key components in order to differentiate the company from its competitors. This encourage the importance of brand management (Yu Xie and Boggs, 2006). Furthermore, the main focus point of a corporate branding strategy is on the company rather than the product, which exposes the employees to a greater extent. The corporate branding strategy is also dependent on cross-functional support and interaction between different departments within the company (Yu Xie and Boggs, 2006).

When employing a corporate branding strategy Aaker & Joachimsthaler, (2000) argue that the company is putting all the eggs in the same basket. Similarly, Yu Xie and Boggs, (2006) describes that the company is sensitive to negative impacts if one of the products that carries the same name as the corporate brand would fail. On the other hand, a corporate branding strategy increases leverage, clarity and synergy for a brand through communication of one dominant brand instead of multiple different
brands across various product categories. The brand building efforts within one market can further be leveraged by the company when penetrating a new market (Aaker & Joachimsthaler, 2000). Similarly, Rao, Agarwal and Dahlhoff, (2004) argue that a corporate branding strategy contribute to economies of scale in marketing which efficiently can increase the brand equity. Although, when employing a corporate branding strategy the company must be careful not to overstretch the brand name. A mismatch can occur between the brand and a product category if the product category is perceived to be too far apart from the core business. If a mismatch occur can the brand associations be damaged which ultimately can lead to loss or dilution of brand identity (Rao, Agarwal & Dahlhoff, 2004). Finally, Aaker and Joachimsthaler (2000), states that the corporate branding strategy should oftentimes be employed and seen as a standard strategy by companies. Making the decision to employ other strategies should require specific reasons.

One strategy that often is implemented when launching a new product is to extend the brand using the brand extension strategy which is considered to be a sub-strategy within the corporate branding strategy. According to Truong et al. (2017) more than 80% of companies are implementing this strategy to be successful in the marketplace when launching a new product. The author argues that this strategy has been adopted to a great extent since the familiarity in already established brands contribute to a perceived risk reduction when the customer is evaluating a product purchase decision. Although, early adopters may reason in the opposite way due to their tendency to adopt in early stages and their higher tolerance for risk and uncertainty. Early adopters therefore often prefer new brand names instead of already established brand names (Truong et al., 2017). Although technological products tend to carry more perceived risk and uncertainty in comparison to fast moving consumer goods due to technology products often involving more innovation, where a new feature can be perceived as ambiguous in terms of functionality. The more innovative a product becomes, the more uncertainty it tends to attain from a customer's perspective. Important to mention is that the uncertainty level can reach a point where early adopters no longer are comfortable to adopt the product (Truong et al., 2017). One interesting assumption is that startup companies may choose to target early adopters, especially when the company is operating within the technology industry.
### 2.4.2 Product Branding Strategy

A *product branding strategy* refers to different products having different identities and brand names (Aaker & Joachimsthaler, 2000; Yu Xie & Boggs, 2006). The authors Yu Xie and Boggs (2006) explain that Dove and Lux are owned by the company Unilever which does not share its corporate brand name with their product brand names, hence Unilever are employing a product branding strategy. The product branding strategy is putting specific products in focus. These products do not share the same identity as the corporate brand or other products owned by the same company. The major advantage with a product branding strategy is that if one of the product brands fails or are exposed in negative ways the corporate brand is yet relatively protected from these negative impacts (Yu Xie & Boggs, 2006). Moreover, the flexibility of the brand is, by Yu Xie and Boggs (2006), considered to be another advantage within product branding strategy. The individual brands can position themselves clearly in different markets. Since there is no clear connection between the brands in a product branding strategy it is possible for each brand to target a narrower market – a niche market without challenging the positioning of the other brands within the same company (Aaker & Joachimsthaler, 2000; Rao, Agarwal & Dahlhoff, 2004). Likewise, Rao, Agarwal and Dahlhoff, (2004) states that the product branding strategy are decreasing the risk of cannibalization when a company is present with several products in the same market. Furthermore, the advantage of accommodating more shelf space by competing in the market with several brands allotted with individual brand equity is achievable. Covering more shelf space means that less shelf space is left for competitors to cover in the stores (Rao, Agarwal & Dahlhoff, 2004). Although, there is a financial challenge connected to positioning different brands differently to fit various segments because it carries higher marketing costs which ultimately is connected to the brand profitability. Another disadvantage with this strategy is the surrendering of the economies of scale and the combined efforts, which would otherwise be achieved when using one brand instead of multiple brands (Aaker & Joachimsthaler, 2000). A product branding strategy is furthermore appropriately employed when a company wants to avoid or minimize channel conflict, reflect key benefit throughout using a powerful brand name, or avoid clear a connection with the corporate brand.
2.4.3 Mixed Branding Strategy

A third strategy to consider is the mixed branding strategy which can be regarded as a mix between a corporate branding strategy and a product branding strategy. A company employing this strategy operates in the market with a corporate brand alongside individual brands not sharing the identity of the corporate brand (Rao, Agarwal & Dahlhoff, 2004). One example of this strategy is when the Pepsi Company operates in the market by offering the brand Pepsi, which shares the same corporate identity as the company. However, Pepsi also make an appearance in the market by offering the brands Mountain dew, Aquafina, Tropicana and Frito-Lay (Rao, Agarwal & Dahlhoff, 2004), which are not clearly linked to Pepsi and is therefore argued to be individual brands. Arguably, a mixed branding strategy come to existents in two different ways. First, if the company simply is offering some products and/or services using the corporate brand name alongside with offering products and/or services with individual brand names. Second, if a company acquire one or several other companies while using a corporate branding strategy and decides to keep the brand name(s) of the acquired firm(s) due to the brand already being well established in the market, a mixed branding strategy come into existence (Rao, Agarwal & Dahlhoff, 2004).

Aforementioned, the mixed branding strategy is argued to be a mix between corporate branding strategy and product branding strategy. Therefore, the mixed branding strategy have both the advantages and disadvantages from the corporate branding strategy and the product branding strategy (Rao, Agarwal & Dahlhoff, 2004).

When an acquisition is made, it is common that the acquired firm often have a strong brand and position already. Therefore, this strategy suggest that the individual brands often are strong and significant for the company (Rao, Agarwal & Dahlhoff, 2004). The matter of transferring assets and liabilities in terms of brand equity to a new brand has earlier been mentioned. Recall the statement made by Aaker (1991); that if an existing brand is transferred to a new brand, the brand equity can be affected and, in the worst-case scenario, even be lost. Therefore, the authors argue that when a company using a corporate branding strategy make an acquisition of a strong brand, the company should instead preferably switch and employ a mixed branding strategy to leverage the already strong brand. Since the brand equity cannot necessarily be
transferred it is argued that the brand equity should be leveraged through employment of a mixed branding strategy instead of risking to lose the brand equity by rebranding the acquired brand to be able to continue with a corporate branding strategy.

2.5 Theoretical Perspectives on Branding Strategies

Previous research has been carried out in country-specific markets aiming to present what branding strategies that has been used by successful companies within that country (Bresciani & Eppler, 2010). Studies within branding has also often been divided into different areas, commonly product branding versus corporate branding (Yu Xie & Boggs, 2006) focusing on big companies. Other areas that have been investigated are more narrow areas as for example how to decide what name the brand should have (Kohli, 1997), how to attract potential employees through employer branding (Heilmann, Saarenketo & Liikkanen, 2013) or how a certain brand is perceived from the eyes of the consumers (Ivens & Valta, 2012).

Researchers have used and developed several different models and methods in order to increase the understanding of branding. Sinek (2016) has, through his research, developed a model aiming to present how corporate management teams should develop its corporate branding strategy. It takes three aspects into consideration, (1) Why, (2) How and (3) What. The model propose that the management first must consider why the company exist. Thereafter, one should consider how to present the core purpose of the company to the stakeholders and what to do in terms of practical activities, marketing campaigns or product offerings.

Gabrielsson (2005) has studied branding carried out by SME’s that are active internationally, also referred to as ‘born globals’. The theory that was used included a model with three major factors that affected the branding strategies used by the companies. These included both firm characteristics, external factors that affected the market as well as relationships and marketing channels. Gabrielsson (2005) argue that decisions affecting the branding strategies of the studied companies were made with regards to these three factors.
Hamann, Williams & Omar (2007) investigated branding strategies and how consumers act as a consequence of pricing, use of the product, product quality and culture. The researchers aim to investigate what factors that influence consumers when they buy high-technology products and claims that companies should put much focus on communicating what value the product gives to the consumers and how (s)he will feel after the purchase rather than presenting technical details or focusing on the price.

Further studies that are focusing on how consumers behave have been conducted by Rogers (1962). He investigated at what stage individuals embrace innovations and presented a model that is grouping individuals into five different categories: innovators, early adopters, early majority, late majority and laggards. The model shows that people within a social system embrace innovations at different stages within a period of time. The research further suggests that individuals within the different categories should be reached differently in order to increase the likeliness of them embracing the new innovation.

This study will focus on what branding strategies startup companies use with regards to brand architecture and the four main components of brand equity. These have been explained in more detail previously and includes; (1) brand awareness, (2) brand associations, (3) perceived quality and (4) brand loyalty (Aaker, 1991). Also, Porter’s (1995) generic competitive strategies will be taken into account and are presented in the following paragraphs.

### 2.6 Porter’s Generic Competitive Strategies

Corporate strategies that could be used to maintain or develop a company’s position in the market has been presented by Porter (1995). The generic competitive strategies include overall cost leadership, differentiation and focus. The focus strategy can also be divided into cost-focus and differentiation-focus. Porter (1995) further explain that if a company develops a strategy that one could not find in any of the previously mentioned categories the company could suffer from poor profitability and strong sensitivity of competition. This situation is referred to as 'stuck in the middle' (Porter, 1995).
2.8.1 Overall Cost Leadership

Overall cost leadership refers to efficient use of assets. By the use of a cost leadership strategy the company should provide cheaper products or services than its competitors and that does often involve cost reductions throughout the whole supply chain. Cost reductions within marketing, salaries, service and production are often necessary. A company with a well-positioned low-cost brand could stay competitive in its market over long periods of time even if there are many competitors within the market. As the company can generate a stronger return on investment, due to its lower costs, it is not as exposed if competitors start to lower its prices. To fully reach a low-cost position it is often necessary to have a relatively big market share, or good relationships with suppliers, so that the company could purchase materials at low costs (Porter, 1995).

2.8.2 Differentiation

The second generic strategy refers to making stakeholders believe that a service, product or brand is unique (Chernatony, 2001; Porter, 1995) which could allow bigger margins and potentially higher profits. For a company that uses a differentiation strategy it is important to consider costs but it is not the primary focus. Instead the company focuses on being perceived as unique which could be done in many different
ways including offering unique technical solutions, superior service or well-designed products. A well differentiated brand could also survive within a competitive market as it is less sensitive of price changes when the customers perceives the brand as unique. Compared to the cost-leadership strategy it is not necessary for a company to hold a big market share when aiming for differentiation (Porter, 1995).

2.8.3 Focus

While the overall cost leadership strategy and the differentiation strategy has a wider scope, the focus strategy is narrower and rather about where to compete than how to compete. Porter (1995) describes the focus strategy as focusing on something specific and this strategy could be explained as a way to provide superior service or products to a particular and narrow target market. The focus strategy is further divided into two components.

Cost-focus

The cost-focus strategy refers to focusing on a specific target group and to, in terms of costs, serve that target group better than the competitors with a wider scope. A company that has implemented a cost-focus strategy could focus on a narrow target group to which the competitors with a wider scope has problems to serve efficiently. This could be done in several different ways. A cost-focus strategy could for example be to reduce the number of products in the portfolio and only focus on the products that are requested by the narrow and most profitable target group. If this is done successfully it will result in a higher return on investment since it is possible to reduce the amount of resources that are used to produce the products that are less profitable. A cost-focus strategy could also be to focus on a narrow target group and offer a product that serves those customers efficiently while the competitors aims to serve a wider target market with a product that has several features or user options. By only offering the absolute necessary features it is often possible to have lower the costs of production which results in a more efficient use of resources (Porter, 1995).
Differentiation-focus

The differentiation-focus strategy is also about focusing on a narrower target group than the industrywide differentiation strategy. This could be done in several different ways including focusing on a narrow group of customers with specific needs or on sales in a specific country. A differentiation-focus strategy could be to offer something different and more lucrative that better serves a narrow target group while the competitors have a wider scope and aims to serve a wider target group. The differentiation-focus strategy could also be directed towards areas where the competitors are weak in order to be perceived as a company that offers a unique product that better fits with the needs of the narrower target group (Porter, 1995).

2.7 Swedish Technology Startup Environment

Sweden has for a long time managed to introduce many successful companies to the global market and has thereby increased the interest in the Swedish technology environment and what drives people to start new technology businesses. Many have studied what factors that drives innovation (Rose, Jones & Furneaux, 2016) but recently has a specific interest been developed for the drivers that are specific for the Swedish market.

In the 1990’s big investments in the internet technology infrastructure was made by the Swedish government and has led to Sweden’s very high rank in terms of access to broadband (Falch, Tadayoni, Henten & Williams, 2015). It is likely that these investments have contributed to the establishment of many technology focused companies. Maddox (2016) argue that access to technology is a necessity for startups and the relatively long time of free and easy access to information has been referred to as one reason why Sweden has been able to present so many successful entrepreneurs and startups (Davidsson, 2015).

Marie Wall, who is responsible for startup companies at The Ministry of Enterprise and Innovation, argue that the Swedish startup companies are of high importance as they increase both the amount of foreign capital flowing into Sweden and the overall Swedish innovativeness (Government Offices of Sweden, 2016). Due to the importance of innovative startup companies the government founded a state-owned
risk capital company in 2016 with the purpose to increase the possibilities for companies to obtain capital investments (Government Offices of Sweden, 2016).

Furthermore, The Swedish Agency for Economic and Regional Growth is working under The Ministry of Enterprise and Innovation and aims to further strengthen companies and their competitiveness. One activity that has been developed to support Swedish startups is called *Startup boot camp* and is directed to digital startups. The program aims to train entrepreneurs in business development and further increase the network of the entrepreneurs behind the company by introducing them to financiers or potential business partners (Tillväxtverket.se, 2017). Similarly, Almi Företagspartner AB is owned by the Swedish government and assists companies with loans, capital and advisory services at early stages. (Almi Företagspartner, 2017).

The presented examples of actions that the Swedish government has taken to enable successful growth of Swedish startup companies does not only offer practical help for existing companies, it also shows that startup companies are welcomed and appreciated in Sweden. Some very successful Swedish startups have also shown us that companies active in the technology- and digital industries have good chances to succeed.
3. Method and Implementation

The method and implementation chapter is insightfully presenting and arguing for the methodological choices that the authors have made connected to the scientific- and theoretical approaches and choice of research method. The case study design will also be presented before the process of data collection is described.

3.1 Methodological Choices

3.1.1 Scientific Approach

Researchers have previously used several different scientific approaches when studying branding. By the use of a positivistic approach it is common to use hypothesis testing and Saunders, Lewis and Thornhill (2009) argue that one should observe a phenomenon and aim to generalize and draw conclusions from valid data. Furthermore, a researcher that employs a positivistic approach is often more concerned about drawing objective conclusions from hard facts than to gain an overall understanding from impressions and interpretations (Saunders, Lewis & Thornhill, 2009). Kim and Letho (2013) state that branding strategies could be interpreted differently by different people and the authors believe that the characteristics of branding strategies are hard to reduce into small, credible and objective data which implies that the positivistic approach is not an appropriate philosophical stance for this study. Also, the hermeneutic approach is considered inappropriate in this study. A researcher using this approach will aim to interpret how people think and respond to different phenomenon's (Alvesson & Sköldberg, 2008; Jacobsen, Sadin & Hellström, 2002). According to Miller and Brewer (2011) did hermeneutics originally refer to interpretation of texts but the approach has later been used when studying social phenomenon's, which also is argued to be unfortunate and inappropriate. O'Leary (2007) describes hermeneutics as people interpreting things differently and simplifies this statement by explaining that the lyrics of a song could be interpreted differently depending on several various factors including previous experience and predefined assumptions. The hermeneutic approach is considered inappropriate since the authors will use interviews to examine what branding strategies technology startups use.
Since the founders are asked questions connected to this area is the study not based on interpretations to that extent.

The branding phenomenon has, as previously explained, been studied several times before and Chernatony & Segal-Horn (2001) states that many of these studies has overlooked the aspects of social constructions. Their study suggests that brand building should be contingent on social constructionism in order to develop beneficial relationships with stakeholders outside the corporation. Social constructionism relates to how people perceive the world and what a certain person believes to be the reality. The term suggests that today’s world has been created by groups of human beings and is a result of how people interact with each other. In other words, social constructions are what creates a person’s beliefs about what the reality is and what it looks like (Berger & Luckman, 1966). Akindele, Iyamabo and Otubanjo (2013) argue that some branding models that has been presented by previous researchers are easier to understand from a social constructionist way of thinking. Since branding strategies could be understood and processed differently by different people (Kim and Letho, 2013) it is also likely that companies execute their branding strategies differently depending on what target group one aims to reach. The authors therefore believe that it is beneficial to use a social constructionist approach when studying Swedish startups and their branding strategies since it allows the authors to collect and analyze in-depth information from more than one company. Also, it allows the authors to gain a deep understanding about why the studied companies have decided to brand themselves in a certain way.

3.1.2 Theoretical Approach

Researchers can use several theoretical approaches in their study. Some of the most common includes inductive, deductive and abductive approaches. To investigate something without limitations researchers often use an inductive approach. When collecting information in the real world the researchers aims to not have any restrictions about what data to collect. Similarly, the conclusions that are drawn after having analyzed the data should not be limited or based on previous studies within the area (Jacobsen, Sadin & Hellström, 2002). Elo and Kyngäs (2008) also state that an inductive approach is commonly used when there does not exist any previous studies
within the area in question. A deductive approach goes from theory to the reality as the researcher first aims to create a picture of what to investigate before deciding what data to collect and look for (Jacobsen, Sadin & Hellström, 2002). It is stated that a deductive strategy is often used when the researchers aims to investigate if a previous theory is true (Elo and Kyngäs, 2008). The deductive approach has been criticized as some people claim that it allows very limited outcomes. Similarly, some have questioned the inductive approach by claiming that it is not possible to have a completely open mind when collecting data. Regarding the inductive approach, it is also said that it is not possible to collect all data that is relevant for a specific cause (Jacobsen, Sadin & Hellström, 2002).

This study will be niched and aims to investigate something that has never been studied earlier. Although the phenomenon of branding has already been studied several times before. The inductive method is therefore rejected since it is possible to assume that the use of previous studies could be beneficial for the outcome of this study. The deductive approach is also rejected as this study is of exploratory nature and does not aim to test a phenomenon. The inductive and deductive approaches are also often based on a positivist ontology (Chamberlain, 2006) which further motivates a rejection of these approaches.

This study will instead use an abductive approach which aims to base theories on people’s perceptions and the activities that are happening in the social community (Ong, 2011). Chamberlain (2006) and Ong (2011) has stated that when studying social constructions, it is likely that an abductive theoretical approach is beneficial.

### 3.1.3 Research Method

Researchers collects data to answer the problem question by using a quantitative- or qualitative approach. A combination of both approaches can also be used (Newman & Benz, 2006). It is the problem formulation that should lead the researcher into taking a decision about what approach to use.

A quantitative research method often starts with a survey of some kind that has predefined answers. From the answers of the survey the researcher aims to draw
conclusions or explain connections based on figures and hard facts (Jacobsen, Sadin & Hellström, 2002). The researcher is by analyzing the data collected from the study aiming to present solutions for a problem, or to explain how something correlates (Gunter, 2002). A quantitative approach is often used if the problem formulation involves a test of some kind or if the investigator aims to explain a broad picture involving many units (Jacobsen, Sadin & Hellström, 2002). If this is successfully done, it should generate in an answer to the problem question of the study.

A qualitative research approach should, just as a quantitative approach, be aiming to generate an answer to the problem question. Although, depending on what the researcher is investigating, it could be more beneficial to use a qualitative approach as it does not only base assumptions on figures and numerical data. In an exploratory study, it is common that a qualitative study is used since this method can often take more perspectives into account, often through open interviews with individuals or through group interviews. For an exploratory study is a qualitative approach often suitable as it could allow a deeper understanding of a problem (Jacobsen, Sadin & Hellström, 2002).

This study will take a qualitative approach and interviews with founders at Swedish technology startups will be the tool that is used since the authors’ aim to explore what branding strategies these companies employ. Since there is limited research within this area the authors believe that a qualitative approach could provide a deeper insight in the area.

3.2 Case Study Design

This thesis will be based on a multiple case study of explorative nature. The purpose of an explorative case study has been described as a study that is aiming to provide deeper knowledge about a phenomenon that has not been widely investigated. A study that is aiming to investigate to what extent something is affected with regards to a certain phenomenon, action or process could also be explorative in its nature (Jacobsen, Sadin & Hellström, 2002). Case study research can be explained as the understanding of influential factors within a certain phenomenon (Eisenhardt, 1989) and by using a case study researchers could enrich their understanding of existing theory within a specific field or subject (Saunders, Lewis & Thornhill, 2003). One of
the perks that comes from the use of a case study approach is that knowledge can derive from both interviews and own observations (Creswell, 2007). A case study approach is often beneficial if the authors does not have much control of the outcomes from the questions being asked. Hence, if the authors use ‘how’ and ‘why’ questions it could be beneficial to use a case study approach (Yin, 1994).

The branding phenomenon has been studied from different angles several times before (Bresciani & Eppler, 2010) but there is still very limited knowledge about what branding strategies Swedish startup companies that are active in the technology industry are using. The aim of this study is therefore to explore what branding strategies these companies employ to create brand equity.

### 3.3 Case Selection

The cases within this study involves startup companies that were founded in Sweden and are active in the Swedish technology industry. A common denominator is that all startups have strong growth potential and could be, or have previously been, defined as a startup. Only one of the studied companies was founded more than three years ago.

### 3.4 Data Collection

Interviews has been carried out with all companies, either by a company visit or through a telephone interview. The questions asked during the interviews has been derived from brand architecture and the four main components of brand equity, (1) brand awareness, (2) brand associations, (3) perceived quality and (4) brand loyalty (Aaker, 1991), as it enables the collected answers to be connected to existing theory within the field of branding. Furthermore, one criteria when deciding what to ask during the interviews were that one should be able to connect the answers to Porter’s (1995) generic strategies, (1) overall cost leadership, (2) differentiation and (3) cost-focus and (4) differentiation-focus.
3.5 Research Validity and Reliability

One way of ensuring the quality of the selected cases and the collected data has been presented by Yin (1994) who propose that researchers should consider four components including: construct validity, internal validity, external validity and reliability.

Construct validity refers to how one creates a suitable study process that allows the authors to investigate something without risking that the collected data and the selected cases are invalid (Yin, 1994). Furthermore, internal validity refers to what extent the conclusions are valid with regards to the data collected. Hence, that there are no systematic errors. An example of increasing the internal validity could be that, if one aims to test a phenomenon's effect on people, it is better to have two groups of participants that are chosen at random since the only difference between the groups will then be that one is exposed to the particular phenomenon (Saunders, Lewis & Thornhill, 2003). The internal validity is mainly for explanatory research while this study is of exploratory nature which leaves the authors with limited concern for the internal validity. On the other hand is external validity of high importance for this study as it refers to what extent the findings are generalizable (Saunders, Lewis & Thornhill, 2003). To increase the external validity the authors conducted multiple case studies allowing generalizations and conclusions to be drawn from in-depth information collected from several startup companies (Riege, 2003). The thesis also had clear boundaries in terms of what to study (Marshall & Rossman, 1989) and the findings has been evaluated with regards to previous research in the field of branding strategies (Riege, 2003). Lastly, the reliability of a study can be referred to how similar the results would be if the same framework, techniques and theories were to be repeated (Quinton & Smallbone, 2007). Both authors have been present during all interviews and these have also been recorded, which increase the reliability (Riege, 2003). Also, in the analysis part have parallels in large extent been drawn between the findings from each company. These findings have also been compared to the previous theory found in the frame of reference which increases the reliability (Riege, 2003).
4. Empirical Findings

This part of the thesis present the results from the conducted interviews. The empirical findings will be categorized with regards to the four components of brand equity and Porter's (1995) generic competitive strategies. This part also involves a table summarizing the empirical findings.

4.1 Company A

Company A is offering payment solutions to companies and organizations that wants to provide their customers with the opportunity to pay with a credit- or debit card. These payment solutions include a hardware (payment terminals) and a software that are specifically customized for the customers' needs. Company A has earned some of its more important customers through procurement by offering cheaper or faster delivery of their payment solutions to their customer or outsourcer. The company is mainly working in projects to deliver both the hardware and the software to their customers as they are aiming to provide the customers with a satisfying payment solution. Although, some customers use the hardware and a standardized version of the software. The founder of the company explain that at least two of the biggest banks in Sweden are currently offering Company A's hardware together with a standardized version of the software to their corporate clients of the bank. The founder highlights the importance of having the banks to sell their payment solution, mainly because it is one additional source of revenue. Company A puts most effort into promoting what benefits the payment solutions come with and presents customized solutions to their customers, involving both the hardware and the software. Company A is employing a corporate branding strategy, since the brand name of the product is carrying the same name as the corporate brand. In addition to the founder, the company have four employees.

How Company A Creates Brand Awareness

Company A has created their brand awareness and increased the number of visitors to their website by convincing business partners and other stakeholders they collaborate with to provide links that redirect the viewer to Company A’s website. By doing so it
is likely that Company A's website will occur earlier on various search engines. Also, other use of search engine optimization has given some results but the company's main focus is not to get a lot of visitors but rather to get the right visitors and thereby are the attempts limited. The founder explains that some of the tools that one could use to increase the number of visitors are either too expensive or does not give satisfying results in their case. Google AdWords and an active social media presence through different social media channels are two examples that the founder believes would require too much resources compared to the results it would give.

The founder instead described that one of the most important ways to create and increase the awareness of the brand has been to participate and set up booths at fairs where potential customers are found. Company A's customers are found in several industries as the payment terminals are offered by banks that have clients in several industries. Although, many of the customers that need customized payment solutions are found in either the transportation- or in the restaurant industry and therefore the company have participated at fairs where these industries are to be found. One example is Gastronord which the founder argue is the biggest fair in northern Europe for unions that are active in the hotel- and restaurant industry. By participating at Gastranord and similar fairs, the founder says that the company has both earned new customers and increased the awareness of the brand. The company also rely on the banks as they create and increase the awareness of the brand by presenting them as alternatives for the clients. Important to mention is that Company A are not consistent with their brand name. The registered brand name is not the same as the brand name communicated to the stakeholders. The company has made the decision to communicate a shorter version of the brand name.

**How Company A Creates Brand Associations**

It is explained that the company does not have any corporate values that they have put effort into communicating to their stakeholders. The founder believes that it is more common in bigger companies and it is nothing that the company has put much thought into. Although, acting ethically and keeping good relationships with stakeholders is said to be very important and this is something that the company is striving for since they want to be perceived as a reliable business partner. The founder
believes that the customers generally are very satisfied with the software but sometimes are complains about the payment terminal brought up. However, the company puts so much effort in providing good support and service to the customers that they likely possess beneficial associations towards the brand in terms of trust, service and overall quality.

**How Company A Creates Perceived Quality**

The founder explained that the software is of high quality. However, the few complaints that are brought forward are rather about hardware malfunction. The hardware is said to be of low or average quality and they sometimes break down. The founder explains that in order to be able to compete in the market they had to make a decision about what their main focus should be and, since there exist very big and well-known companies that are selling high quality payment terminals at lower prices, the company decided to put most effort into the development of the software as their main target market includes customers that request customized payment solutions. Also, it is said that the company has aimed to compensate the fact that the payment terminals sometimes breaks down by offering very good service and support. The founder also highlights the fact that it is not always possible for a small company to be fastidious when deciding what suppliers to collaborate with and explains that the terminals that are used right now are their best alternative.

Another important factor that affects the perceptions about the quality of the payment solutions is that two of the biggest banks in Sweden are currently offering the payment solutions to their customers. The founder further explains that if a trusted advisor at a well-known bank like Handelsbanken or Swedbank are offering the payment solutions it creates trust and reliability towards Company A's brand. Company A is active in an industry involving money transferring, therefore the customer must be confident that the payment solution is reliable.

**How Company A Creates Brand Loyalty**

Long-term relationships with the customers are important for the company, especially with the customers that are expressing a demand for customized payment solutions since it is extra important to retain these customers and answer to their needs. The
founder also explained that the software is updated continuously to satisfy the customers' needs. This could be seen as a way to create brand loyalty since the company is customizing the payment solutions towards each customer to satisfy their need.

**Company A's Generic Competitive Strategy to Branding**

Company A is using a differentiation-focus strategy. The hardware together with the standardized software that are sold by the banks could be seen as an additional sales channel but the most important customers are the ones that are in need of customized payment solutions, involving both the hardware and the software. This motivates differentiation since most of the competitors offer standarded payment solutions. Furthermore, most companies are in need of a suitable payment solution in order to be able to charge their customers. Still, Company A mainly focus on the transportation- and restaurant industry as they have realized that these industries are most likely to require payment solutions that are specifically customized for their needs. This promotes the focus aspect since the company is focusing on a narrow target group. Hence, Company A uses a differentiation-focus strategy since they are aiming to serve a relatively narrow target group by offering a uniquely customized payment solution.

**4.2 Company B**

Company B has a vison to revolutionise the construction industry by digitalising blue prints for construction purposes. The founder of the company argues that 350 million SEK per year accounts for blue prints in paper format. Moreover, blue prints are inefficient due to the, sometimes difficult, task of keeping track of them and the additional administration cost of revising them if changes must be made. Company B is solving these issues by offering customized tablets together with a cloud software that can be used to store all kinds of blue print formats. The product together with the cloud software is making the use of blue prints more efficient and cost effective. The company is collaborating with several big and well-known construction firms to develop the product so that it is aligned with the need of the end customer. The product is not available on the market yet, but will be launched in the end of year
2017. Company B will launch the product under the same corporate brand name as the company, hence the company will employ a corporate branding strategy. Furthermore, the company have zero employees in addition to the founder.

**How Company B Creates Brand Awareness**

Company B is working and developing the product in close collaboration with their key customers. The strategy to create brand awareness is therefore to have the key customers involved from the very beginning. This further allow the company to customize the product aligned with key customer needs. Company B has focused on creating a brand name that is unique, clear, short and easy to recall. Furthermore, the company plan to create and increase brand awareness through marketing communications using social media and the web as medium. The company has initially focused on registering their brand name on various social media platforms in advance to avoid the risk of their brand name being registered and used by someone else. This is done to make sure that the brand can present an overall clarity and synergy by using the same brand name across all social media platforms and thereby avoid confusion. Furthermore, a strategy of informing decision makers within the construction industry about the brand has been employed to increase brand awareness to key stakeholders. The founder of Company B argue that it is possible to pinpoint key stakeholders, such as decision makers in order to target them and inform them about the product.

Company B will focus on branding in a global perspective and use third party retailers. The company is going to collaborate with a distributor in the Swedish market which already have a well-established customer base. Moreover, this distributor is going to manage the marketing efforts in the local market. The distributor is mainly going to use a direct sales approach by visiting customers on a regular basis.

**How Company B Creates Brand Associations**

There are no clear corporate values communicated to the stakeholders. However, the company wants to be associated with superior quality since this is such a vital component within the industry where the customers are found. The company would like to see the product to be associated with efficiency, user friendliness and overall
administrative cost reduction since the business idea is built upon making blueprints more manageable and providing better access to information. The founder also argue that the customers probably will associates the company with innovation and logic.

**How Company B Creates Perceived Quality**

The quality of the product is of great importance. According to the founder, quality must be superior in order for the company to attract customers within the construction industry and the product is therefore designed to withstand the rough environment on construction sites. One example of the features developed to fit the rough construction site environment is the EPD-screen which have the capacity to respond with great contrast in strong sun light.

**How Company B Creates Brand Loyalty**

Aforementioned, Company B is working in close collaboration with key customers in order to develop the product so that it is aligned with the customer needs. Allowing the key customers to be a part of the development process from the initial phase is a strategy to build customer relationship. Customizing the product after the key customers' needs by keeping an open dialog with the customers is the main strategy that Company B utilizes to strengthen the brand loyalty. As the product is launched the company aims to continue to keep a close dialog with the key customers to further increase the brand loyalty.

**Porter’s Generic Competitive Strategies to Branding**

To apply Porter’s generic strategies, Company B are performing the strategy of differentiation-focus. The company are unique by offering a product intended to digitalize blueprints for the construction industry. Furthermore, Company B are utilizing the focus aspect as they are aiming to reach a specific and narrow target group, big companies within the construction industry. The strategy of working in close collaboration from inception can be seen as a focus strategy, since it allows the company to fully understand the needs of their target group. To work in close collaboration also contributes to the differentiation aspect as the company is likely to realize what features the product needs to have in order to be unique.
4.3 Company C

Company C sells small driving journals to other companies allowing these companies to keep track of how much the cars have been driven and by who. These driving journals are very easy to use and are sold at a cheap one-time price without any monthly subscription fee, which is rare in this industry. The target group is Swedish small- and medium sized companies (SME’s), much because the founder and the sales persons has found that it is easier to reach decision makers in these types of companies. The company could be said to use a corporate branding strategy as they do not distinguish the brand name from the product they are selling. The product brand name is the same as the corporate brand name, hence a corporate branding strategy is being used. However, the founder explains that there exist plans to launch massage products, and thereby enter another product category. It has not yet been decided if the massage products will be launched under the same brand name or not. In addition to the founder the company have two employees.

How Company C Creates Brand Awareness

One way to create awareness and reach potential customers has been to use cold calling. The company has experienced that the strategy of cold calling has created brand awareness and generated many new customers. Moreover, the founder has also put much effort into search engine optimization (SEO) to create and increase the brand awareness. As a result of a SEO strategy, Company C’s website is now found very easily on the web. Since the product has become easier to find on the internet the founder has also recognized an increasing trend of customers purchasing the product online. Important to mention is that the founder has previous experience in SEO and has educated the employees in SEO through Digitalakademin’s online course. This course was started as a collaboration between Google and Almi Företagspartner and is directed towards companies that are active on the internet, which has allowed the company to gain experience in this area of developing an internet presence. Due to the market of driving journals being small and none complex, it is likely that customers who are looking for driving journals online will choose one of the first products they find. Therefore, Company C stresses the importance of being one of the first hits on Google as it is said to create brand awareness and attract new customers. The brand of Company C is currently one of the first hits on Google when searching for several
keywords that are relevant for their business. This allows them to create and increase awareness towards customers without having to pay for advertisements in magazines which the company also has tried to increase the brand awareness without getting the desired results.

**How Company C Creates Brand Associations**

The founder is explaining that the company does not have any values that they have put much effort into communicating to the company's stakeholders. Although, it is communicated to potential customers that the company is offering great customer service and support and this is a promise that they take seriously. Also, to act ethically and to be perceived as a business partner that the customers can rely on is said to be of high importance in order to keep current customers and attract new ones. Since the company is not using a subscription-based pricing model and the product is sold relatively cheap, the founder want the customers to perceive the brand as uncomplicated. With the ambition to be associated as uncomplicated and responsive to problems the company has also decided to present easy guidelines of how to use the product on the Company's website. According to the founder the company is believed to be associated as responsive to complaints and questions about the product.

**How Company C Creates Perceived Quality**

It is very rare that the products malfunction and they are almost never returned by the customers, which the founder believes is uncommon in this industry. The product is neat, very simple in its shape and sold at a low one-time price. The founder believes that this contributes to the customers' perceptions that the product is of good quality for a reasonable price. Furthermore, much effort is put into offering good customer support, since it is believed that good customer support will enhance the overall perceptions about the quality of the product.

**How Company C Creates Brand Loyalty**

It is explained that company C has been able to maintain long-term relationships with many of its customers. The founder explained that many of the competitors are offering their products with a subscription-based pricing model which allows a more natural long-term relationship. However, it has been recognized that many of
Company C's customers have more than one company car and they tend to buy one driving journal for each car since they are driven simultaneously. This creates loyalty since the customers usually want to use the same administrative system for all cars of the company and purchase a new driving journal from the same company if one breaks down. It is also believed that the customer service is contributing to the creation of brand loyalty.

**Company C’s Generic Competitive Strategy to Branding**

Company C import their products and sell them to their customers with an added margin. It is explained that it is possible to decrease these margins if the market would become more competitive and prices were about to decrease. Still, it would not be possible to decrease the prices too much since the company does not have the possibility to affect the costs of production. This excludes the overall cost leadership strategy and the cost-focus strategy of being used. It is instead explained that the company aims to differentiate themselves from the competitors by not selling the driving journal with a subscription. Company C is further differentiating themselves by offering good customer service, user-friendly software and a nice design. Furthermore, one could argue that Company C's strategy involves a focus aspect since they aim to reach small Swedish companies that are likely to not use digital driving journals at the moment. Since the company's strategy involves both differentiation and focus one could say that a differentiation-focus strategy is used. Still, one could also argue that the target market is not narrow enough which would result in a differentiation strategy. One could also argue that the Company C is, as Porter (1995) describes it, 'stuck in the middle'.

**4.4 Company D**

Company D is offering a software with a variety of features. The core service is a software for time planning and is offered to companies within the home care industry. The time planning software makes it more efficient for these companies to manage their activities in their everyday business. Many companies in this industry use the inefficient and costly action of planning their activities on physical paper or via excel and this is the problem that the company aims to solve. Company D found a business
opportunity in making it simpler for the administration department within home care services to manage and plan business activities. Alongside the core service, Company D is offering optional features such as: journals, employee schedules, wage platforms, and a mobile application. These features make the company unique in the market space. The company is employing a corporate branding strategy since there is a clear connection between the service provided and the corporate brand of the company. Moreover, in addition to the two founders, the company have three employees. The interview was conducted with one of the founders.

**How Company D Creates Brand Awareness**

The target group of Company D involves companies within the home care services. To initially create the brand awareness among the target group Company D offered their services for free to important potential customers for a limited time. The focus in the beginning was to reach out to as many potential customers within the target group as possible in order to create awareness of the brand. The founder of the company argues that the first customers are always the hardest to sell to, hence the strategic choice to offer the service for free during a limited time to attract important customers. The founder of the company further argue that many startup companies have great business ideas but fail due to not introducing the product or service quickly enough in the market. Therefore, a quick market entry for Company D was of great importance according to the founder. To further increase brand awareness is the company sending out goodie bags to all potential customers in the market at least twice a year.

The market where Company D's customers can be found is limited to Sweden and includes municipalities and private companies operating within the home care service industry. According to the founder does the market consists of roughly 800-1000 companies. The goodie bags are targeted and sent to all companies with the intention to create and strengthen the brand awareness in the market. In the goodie bags there are information about the company to inform potential customer about the service. Furthermore, the goodie bags include giveaway items. For example, in previous years the goodie bags included sunglasses and mousepads with Company D’s logo on it. Important to mention is that the company experienced a difference between the
departments to where the goodie bags where sent. Targeting the administration within the companies achieved a better outcome than targeting the board of the companies. Similarly, mass marketing emails are sent out twice a year to inform and reinforce potential and existing customers about the service brand.

The primary strategy to reach new customers and inform them about the brand is cold calling. The objectives with the cold calls are mainly to book meetings and inform the prospects about the service that the company is providing. The founder states that telemarketers are not common within this field of business, hence cold calling is relatively well-received. Although, cold calling is not efficient to the bigger companies, since they have gatekeepers which makes it is harder to reach the decision makers at those companies. Recently, Company D employed a new member to the board, who have previous experiences in public relations (PR). The new board member is, according to the founder, currently working with PR to increase the brand awareness in the market. Moreover, the founder states that PR is a more resource efficient way than cold calling to reach the bigger companies within the market. Company D is also using Google AdWords but is not putting a lot of effort into it. They mainly use it to keep up with competitors and to make sure that Company D’s brand appears as an alternative alongside competing brands. Furthermore, the company is acting aligned with the belief that if their customers are satisfied it is likely that they recommend the brand to other potential customer via word of mouth. It is stated that this strategy has previously been successful since new customers has been acquired due to referrals.

**How Company D Creates Brand Associations**

Corporate values are not clearly communicated to stakeholders and the founder believes that this is more common in lager companies. However, Company D aims to be associated as a business partner rather than a service provider. The founder also argue that the company wants customers to think of them as personal and humble. As previously mentioned, Company D is the most expensive option in the market and it is therefore important for them to be associated with high quality and uniqueness. Recently, the question of how the company is perceived by their customers have been raised. This was done through a survey and they found that the company is overall
well perceived. However, the founder also said that the company does not achieve top results and one reason for this is because the company does not customize the service towards each customer. Still, they are aiming to continuously update and develop the software in order to be responsive to their customers’ needs.

How Company D Creates Perceived Quality

The service is the most expensive option available in the market. However, the quality of the service is high and of great importance for the company. To deliver top performing quality to each customer, the company are heavily focusing on software development and customer support. The software developers are constantly developing the software of the service in order to be perceived as top performing in terms of quality. Another important part of the quality perception is, according to the founder, to provide good customer service. It is the software developers that oversee the customers support at Company D since they have the best knowledge about how the service work in terms of software functionalities, hence they can provide the best solutions to potential problems that a customer might have.

How Company D Creates Brand Loyalty

Company D is focusing on physical meetings with potential customers to meet them in person and demonstrate the service for them. According to the founder it is easier to persuade the customer through a physical meeting and that is explained to be the main strategy to increase the customer base. However, in certain situations the company performs web demonstrations. The meetings are commonly agreed upon via cold calling.

Today the customer base of Company D consists of 110-120 companies. The founder states that it was more manageable to keep in contact regularly with all the customers when the customer base consisted of fewer companies. However, Company D is reaching out to four existing companies every month to make sure they are satisfied with the service. The company believes that if they make sure that the customers are satisfied with the service, the customers are more likely to create and increase the level of loyalty towards the brand.
Company D is aiming to achieve a long-term customer relationship with each customer and one major reason for this is due to the often hard and complex task for the customer to switch provider since the service is deeply embedded in the customers’ everyday business. Company D and the customers are therefore often agreeing upon a three-year contract.

**Company D’s Generic Competitive Strategy to Branding**

Company D is offering a standardized service with unique additional features. The uniqueness is considered to be a competitive advantage for the company. The competitive advantage of uniqueness is also aligned with the differentiation strategy in Porter’s (1995) generic competitive strategies. Company D are also targeting small and medium sized companies within the home care industry which is a narrow target group and contributes to the focus aspect. The focus aspect is also noticeable in the process of acquiring new customers since the company is said to be more active than the competitors when it comes to reaching out to potential customers. With regards to the uniqueness of the product and how the company aims to fulfill the needs of the narrow target group one could argue that a differentiation-focus strategy is used.
### 4.5 Summary of Empirical Findings

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<td>'stuck in the middle'</td>
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Table 1 – How the studied startup companies create brand equity
5. Analysis

This chapter will analyze the presented empirical findings with regards to the theory that has previously been presented in the frame of reference. The analysis chapter is divided into different parts taking brand architecture, creation of brand equity and Porter's generic competitive strategies into account.

5.1 Brand Architecture

All studied companies fall into the category of employing a corporate branding strategy as the products share the same brand name as the corporate brand. Also, the companies are not trying to distinguish the products from the corporate brand. In contrast, one advantage of using a product branding strategy instead is, as mentioned earlier, to reduce the risk of having one product harming the whole corporate brand (Yu Xie & Boggs, 2006). Moreover, Rao, Agarwal and Dahlloff, (2004) has explained that another advantage of a corporate branding strategy is that the company is able to achieve clear positioning in different markets without challenging the position of other products or services provided by the same company. However, the authors do not believe that it is a coincidence that none of the studied startup companies employ a product branding strategy or a mixed branding strategy. The reason for this is because all studied companies only had one product and one business idea when the company was started and the startup companies can therefore not utilize the advantages connected to a product branding strategy or mixed branding strategy. In addition, it is more likely that the corporate brand name is not distinguished from the product brand name (corporate branding strategy) when only one product exists in the portfolio. Furthermore, Aaker and Joachimsthaler (2000) has suggested that a corporate branding strategy should be used as a standard strategy and the use of a product branding strategy or mixed branding strategy should require specific reasons. One key advantage when employing a corporate branding strategy is the leverage, clarity, and synergy achieved by only communicating one brand across different product categories (Aaker & Joachimsthaler, 2000). However, since startups are newly established businesses that are lacking familiarity in the market space, they cannot necessarily meet this advantage. Although, this advantage can be met in the
future if the startup company successfully manage to establish a well-known brand in the market before introducing a new product or service under the same brand name.

Important to mention is that the founder of Company C expressed thoughts about launching massage products. The product category of massage products is arguably far apart form the core business of driving journals. As mentioned previously, the founder has not decided whether to continue with a corporate branding strategy or switch to a mixed branding strategy by introducing the massage products under a different brand name. However, the authors believe that overstretching the brand name is a possible risk if the founder decides to continue with a corporate branding strategy by introducing the massage products under the same brand name as the driving journals and the corporate brand name. This could further harm the brand identity if the customers do not perceive it to be a match between the new product category and the original core business (Rao, Agarwal & Dahloff, 2004).

5.2 Brand Equity

Brand Awareness

The companies use different strategies to increase awareness of their respective brands. Similar for all companies is that they find it crucial to attract new customers in the early phases of the company's life cycle. Company A mainly participate in different industry fairs where their potential customers are found while Company B collaborates with the potential customers before launching the product in order to fully understand their needs. Company C relies on search engine optimization and cold-calls to create brand awareness and Company D’s initial focus to create brand awareness was to offer the service for free to important stakeholders during a limited time. This prevent the authors from presenting one right answer for how startup companies create brand awareness. Although, all founders emphasize the importance of being able to increase the awareness of the brand among important stakeholders in the early startup phase. Hence, it is believed to be crucial for startup companies within the Swedish technology industry to quickly establish brand awareness and it is done differently depending on what stakeholders the company aims to reach and in what industries the customers are found. These findings are aligned with the statement
made by Sivathanu (2016) explaining that there is no standard branding strategy, rather different branding strategies should be used for different companies depending on the industry they are active within, the resources available and the profile of the company. Likewise, Wong and Merilles (2005) argue that the size of the company also should be taken into consideration when choosing a specific branding strategy.

Aforementioned, Aaker, (1991) and Timmons (1999) points out that brand awareness is the most important component to focus on for newly established businesses including startup companies. This is likely true since the company must first establish a brand name in order to allow customers to link brand associations, perceived quality, and brand loyalty with a certain brand name (Aaker, 1991). Aligned with the findings presented by Aaker (1991) the authors found that all companies have decided upon a brand name as a first practice to increase the brand awareness. The registered brand name for Company A is not accurately aligned with the corporate brand name that is communicated to the stakeholders. The company decided to communicate a shorter version of the brand name. This strategy is used to increase the level of brand awareness and, as Keller (2008) has argued, that a shorter brand name can favor brand recall since it is simpler to encode and store in the minds of the customers. On the other hand, Company B is consistent with their brand name. However, Company B emphasized on creating a brand name that is short, unique and clear from the beginning in order to favor recall and recognition in the market space. According to Keller, (2008) a brand name should preferably be designed to be distinctive and different as it provides the advantage of being recognized by customers and distinguished from competitors. Similarly, Company C’s brand name is also already short and distinctive. Whereas, the brand name of Company D is short, different and distinctive.

The founder of Company C stated that creating brand awareness is important and an obstacle is to educate the employees in SEO due to limited resources. A solution has therefore been to educate some employees through an online course. This course is a result of a collaboration between Google and Almi Företagspartner, which is a company that is owned by the Swedish government. In previous chapters, some
aspects about the Swedish startup environment has been presented and one could hereby further conclude that Swedish startup companies can find support and assistance from the government and third parties.

**Brand Associations**

Company B aims to be perceived as an innovative brand with a user-friendly product of high quality. As previously explained, people within a social system are more or less accepting towards new technologies and companies should use different branding strategies depending on what category of customers the companies aim to reach (Rogers, 2005). Company B's potential customers fall into the category of either *innovators* or *early adopters* since the brand is unfamiliar and offers a new technology (Rogers, 2005; Truong et al., 2017). Moreover, existing theory also states that customers’ associate purchases from new brands to be of higher risk (Truong et al., 2017) and it is therefore believed to be beneficial for Company B's brand to be associated with high-quality and user-friendliness. The associations are further essential for the company since their target group is construction companies and according to the founder, these types of companies requiring high-quality and reliable products.

Company C stated that they focus a lot on customer support and wants to be associated with reliability and responsiveness to potential complaints or thoughts that customers bring forward. Company D express similar thoughts and argue that customer support is important for their business. This increase the amount of trust that the customers feel towards the company since the customers does not only rely on the quality of the product but also on the people working for the company. Similarly, Company A and Company D stated that they want to be perceived as business partners which could create beneficial associations in the minds of the customers. Moreover, the founders of Company A and Company D explain that their software's are continuously developed and updated to satisfy customers. This is an attempt to make the customers associate the brand with responsiveness. Although, one could question why the companies are not focusing more on creating strong associations in the potential customers’ minds since Aaker (1991) has explained that, if a potential
customer has strong beneficial associations towards a brand, it is more likely that a purchase will be made.

As pointed out by Keller (1993), the strength of a specific association is determined by the level of relevant information provided to the customer in correlation to how long the customers are exposed to the information. Similar for all studied companies is that they should provide information that is aligned with the certain association they want a customer to have. For example, the founder of Company C express that the company wants their customers to associate the brand to be uncomplicated. To achieve this association the company provide their customers with easy to follow guidelines of how to use the product on their web site. By teaching the customer how to use the product it is possible that the customer creates an association of uncomplicatedness towards the brand.

Similar for all studied companies is that the company's core values are not expressed or noticeable in their marketing campaigns or branding strategies. The founders of the studied companies explain that they did not have any predetermined values to promote from the very beginning and some of the founders believes that it is more common to establish and express core values within bigger companies. These thoughts further strengthen the statement of Merilees (2007) regarding small companies not realizing that they are associated with a brand. Also, Bresciani and Eppler (2010), has presented similar thoughts suggesting that branding is not widely understood within smaller companies. Although, all founders agree that it is important to be perceived as professional and ethical when interacting with stakeholders and therefore one could also question the previous statements since the company still recognizes the importance of a good reputation. Still, the founders' perceptions about branding differs and since the branding strategies mainly involves communication of product quality and functional benefits, one could question if all studied companies have enhanced their full branding potential. Rode (2004) has previously stated that the customer perceptions about a brand should reflect the company's communication, values and way of acting. Similarly, Yu Xie and Boggs, (2006) and Sinek (2016) argued that core values are important for companies when differentiating the
corporate brand from competitors since products and services nowadays are easy to imitate. Also, Hamann, Williams and Omar (2007) has stated that in order to sell products it is important to communicate how the customer will feel after the purchase rather than to communicate technical details about the product. Therefore, one could question if the studied companies could achieve a stronger positioning and create more beneficial associations in the customers' minds by putting more effort into establishing and communicating company core values.

**Perceived Quality**

A common denominator regarding the use of branding strategies is that all companies emphasize the importance of communicating the quality of the product. Only the founder of Company A expressed thoughts about the lacking quality of the product. These thoughts did only concern their hardware (payment terminals), not the software. As previously mentioned, it is mainly two big banks that sell Company A's payment terminals and, since the account managers at the banks have several providers of payment terminals to choose from, they could easily begin to sell the competitors terminals if they receive complaints from customers. However, the founder explains that their main focus has been on developing the software, which is considered to be of very high quality. Since many of the most important customers request customized payment solutions it is likely that they do not consider the hardware's lack of quality as a big issue since the overall quality of the payment solution is very good when it has been customized to fit the customers need.

Company B's customers will be found in the construction industry which requires the product to withstand though environments. According to Aaker (1991) perceived quality is based on the two underlying dimensions of reliability and performance. Hence, if the product can be reliable and perform under the though environments at constructions sites it will affect the perceived quality of the product in a positive manner. Therefore, the founder emphasizes the importance to communicate the quality of the product. Although, it is important to not only communicate the product quality but also to deliver upon that promise. If the company is believed to sell low-quality products when the product has just been launched it will be hard to attract new
customers and that is very important in the beginning of the company's life cycle (Timmons, 1999). Similarly, to Company B, the quality of the product is of great importance for Company D since they are charging a premium price. The authors argue that there is a tradeoff between price and quality. Therefore, to justify the charged premium price by Company D it must perform in terms of quality. According to the founder of Company D, the product developers are regularly developing and updating the product to increase reliability and performance. This is also aligned with Aaker’s statement that perceived quality is based on reliability and performance (Aaker, 1991). In contrast, the authors believe that the quality of the product is not equally important for Company C since they are differentiating themselves in terms of price. Although, the founder believes that the customers perceive the product to be of high quality and that is naturally beneficial since it allows word-of-mouth and, potentially, new customers.

**Brand Loyalty**

The founders of Company A and Company D expressed similar thoughts about brand loyalty and how their companies can achieve that. It was explained that if the product is well integrated into the customer's daily operations they are less likely to buy a similar product or service from another provider. Although, this could result in the customers gaining negative associations towards the brand and the company's reputation and overall brand equity could be harmed if they realize how hard it is to switch provider. Although, as an attempt of creating and increasing the customer loyalty towards the brand, all companies promise high product quality and most companies communicates how good their customer support is. Regarding the customer support, it is not only something that the companies promise to their potential customers but also something that they provide them with. The reason for this is that the founders believes that it makes the company stand out as the better alternative. Most importantly, it is believed to create and increase brand loyalty. Moreover, all the companies aim to, in a more or less complex way, integrate their product into the customers' daily operations and it is therefore likely that the customers will need continuous customer support.
Company A is continuously updating and customizing the service so that it satisfies the customers’ needs. According to Aaker (2011) is this important since brand loyalty are reducing the risk from competitive action. Furthermore, retaining customers by keeping them satisfied is connected with lower costs than acquiring new customers (Aaker, 1991; Doyle, 2011). Company B is also customizing and developing the product according to customer needs. However, Company B utilizes a slightly different strategy when creating customer loyalty since they work in close collaboration with key customers already from the initial development phase. The founder of Company C stressed the importance of focusing on customer support in order to maintain customer satisfaction, which is essential for the company in order to not lose customers to competitors (Aaker, 2011). In contrast, Company C and Company D are not customizing the product towards specific customer needs since they provide a standardized product. The founder of Company D argues that, since they cannot provide the opportunity for each customer to customize the service according to their specific needs, the company cannot achieve top results in terms of brand loyalty. To make up for this, Company D is allocating great focus towards software development in order to always be top performing in terms of features and functionality. Company D is also, similarly to Company C, focusing on customer support which allow them to keep the customer base satisfied.

Moreover, Company D is also reaching out to several existing customers to ensure that they are satisfied. According to the findings the founder believes that satisfied customers recommend the brand to third parties. This finding is further aligned with the statement made by Aaker (1991) and Doyle (2011) regarding the importance to keep the customers base satisfied since they are giving referrals to potential customers.

5.3 Porter's Generic Competitive Strategies

A common strategy for three of the studied startup companies is that they put much effort into communicating unique characteristics of the product and how it can solve the customer's needs. The fourth company (Company C) is not offering a unique product, instead one can argue that Company C achieves uniqueness in the market
space through offering the product at a one-time price. The level of uniqueness varies as one company offer customized payment solutions to fit with the needs of the customers' while another sell driving journals at a fixed onetime price in order to stand out from the competition. Still, the perception of being unique is an important component in all branding strategies used by the companies. Hence, all companies execute their branding strategies slightly different but a common denominator is that the differentiation aspect is more or less noticeable for all studied companies.

All companies are also combining this with the focus aspect, even though one could argue that Company C's target market is marginally large. Hence, Company C's strategy is found somewhere between the differentiation strategy and the differentiation-focus strategy. As previously explained is this situation referred to as the 'stuck in the middle' phenomenon and Porter (1995) has argued that if a company cannot clearly distinguish its strategy it could result in poor results financially if the competition were to increase.

The other studied companies are focusing on reaching a specific and relatively narrow target market and aims to solve the customer's needs better than the competitors. Company B is the only company that, in the longer run, will focus on taking their product to international markets. Similarly to Company A and Company D, is that they will focus on selling their products to companies with specific needs within in pre-defined industries in the Swedish market. These companies focusing on a specific need that the customers have and aims to solve it better than the competitors do by utilizing the focus aspect. Porter (1995) describes this as a key component of a focus strategy. The founder of Company A also explained that, since they reach many of their most important customers through procurement, they sometimes allocate much resources into solving a specific customer need. This allows them to offer a better solution and faster delivery to their customer, which is said to often be a big competitive advantage. However, Company D explained that they put much effort into continuously develop and update the software to fit with the needs of the most important customers, although it is important to distinguish this action from the action of customizing the product entirely to each customer which Company D cannot do.
Similarly, the founder of Company B develops their whole product in close collaboration with their key customers. One could hereby see that these companies aims to solve a narrow target market's needs in a different way than their competitors and this has, by Porter (1995), been explained as core characteristics of the differentiation-focus strategy.
6. Conclusion

This chapter relates to the analysis part and presents the conclusions that the authors’ find most important with regards to the purpose of this thesis.

This study present that all studied companies employ a brand architecture of corporate branding strategy and the authors’ interpretation is therefore that this is common among startup companies within the technology industry. From the findings in this study one can assume that different branding strategies are employed depending on the product provided for the customers and what target group the companies’ aims to appeal. Although, the findings from this study appears to present some common aspects that startup companies within the technology industry are considering. Firstly, to create brand awareness has previously been explained to be crucial for startups (Aaker, 1991; Timmons, 1999) and an interpretation from this study could be that this is true for startup companies within the technology industry as well. Secondly, the studied companies are not emphasizing on creating brand equity through communication of corporate values. Instead the founders are relying on communicating product quality, useful product characteristics and customer support to create brand equity. A reasonable assumption could therefore be that startup companies within the technology industry rarely implement corporate values into their branding strategies from the very beginning. Lastly, all studied companies are aiming to differentiate themselves from competitors by offering something that is unique in the market space. The studied companies are aiming to offer a better alternative than the competitors to achieve competitive advantage. From these findings one could assume that startup companies within this industry usually emphasize the importance of the differentiation aspect. Also, this aspect appears to be commonly combined with the focus aspect since most of the studied companies direct its focus to a narrow target group in terms of a specific industry where potential customers are found.
7. Discussion

This chapter presents how this study could contribute to theory and practice. The limitations of the study are also presented before the authors suggest some interesting and closely related subjects that future researchers could study.

7.1 Implications

This study contributes to existing research by successfully pointing out several branding strategies that Swedish technology startups employ to create brand equity in the Swedish market. However, the authors argue that the reasonable interpretation is that there is no standardized branding strategy to be used for all startups to increase brand equity. Instead different branding strategies should be implemented by different startup companies. Furthermore, this study contributes to practice by presenting two aspects for startups to consider that are believed to be crucial to achieve a stronger positioning in the market. First and foremost, the authors believe that it would be beneficial for startup companies to develop and communicate corporate values throughout all business operations. This is not completely aligned with the purpose of the study. However, the authors believe that it is important to highlight the fact that several researchers (Yu Xie & Boggs, 2006; Rode, 2004; Sinek, 2016) has previously expressed the importance of communicating corporate values. On the other hand, the findings from this study are pointing out that none of the studied companies communicate corporate values to stakeholders. Although, the authors believe that corporate values are crucial to communicate and, even though the authors have not presented any clear evidence for this, it is believable that startup companies could increase their brand equity by doing so. Corporate values arguably help the company to achieve a stronger positioning in the market place since corporate values are key components in differentiating a company (Yu Xie & Boggs, 2006). Furthermore, customer’s perceptions of a brand should preferably reflect the corporate values of the company (Rode, 2004) and thereby contribute to the achievement of more valuable associations in the minds of the customers. Secondly, startup companies should emphasize the brand awareness component. Previous research sheds light on this matter already in the beginning of the study, however the authors believe it to be a
crucial aspect to focus on and should therefore be clearly stated as a suggestion for startups to follow in their pursuit to establish a brand in the market.

7.2 Limitations of the Study

The empirical findings are based on four startup companies; hence this may be too few to give a justified picture of what branding strategies startup companies are employing to create brand equity. Although, the time constraint is arguably a factor influencing the result in terms of empirical data gathering, which limited the study since the authors could not interview more startup companies or perform several in-depth interviews with the same startup companies. Moreover, all studied startup companies are to be found in Jönköping which might limit the study to a certain geographic area within Sweden, however the authors believe that the area of Jönköping are somewhat mirroring the situation of the Swedish market. Important to mention is that all studied companies are operative within the business to business (B2B) sector, this have resulted in limitations for the study since startup companies practicing business to customer (B2C) commerce has been overlooked.

7.3 Contributions to Future Research

Future researchers are welcomed to investigate what branding strategies startup companies employ in industries other than the technology industry. Furthermore, future research on startup companies would be appreciated and well received within the business to customer (B2C) sector. This study was also conducted from a company perspective, hence future research can focus on investigating the same issue from a customer perspective. Researchers can further build upon the authors’ contribution to practise by investigating to what extent communication of corporate values contribute to stronger positioning in the market space for startups. Furthermore, researchers are welcomed to investigate how startup companies most efficiently can develop, adopt and communicate corporate values to stakeholders to achieve a stronger positioning in the market space.
8. References


9. Appendices

9.1 Interview Questions in Swedish

Company Background

1. Kan ni beskriva er affärsidé och vad som är unikt med denna?
2. Varför startade ni företaget? Värderingar?
3. Vad var ert fokus när ni startade företaget?
4. Hur många anställda var ni när ni startade jämfört med hur många ni är nu?
5. Vad tror du är de största barriärerna och utmaningarna med att start detta företag?
6. Hur ser branschen ut är det svårt att starta ett företag i denna bransch? Varför?
7. Hur många produkter erbjuder ni?
8. Har produkten samma varumärke som företaget? "Corporate branding"
10. Har produkten/företaget alltid kallats xxxx?

Brand Awareness

1. Vad är företagets målgrupp?
2. Vad är bra branding/varumärkesbyggande för dig?
3. Hur jobbar ni med ert varumärke? Hur kommunicerar/marknadsför ert varumärke till er målgrupp? (TV, Radio, Direkt kontakt, Telefon, Email, Reklambyrå, Konsult etc.)
4. Hur kommunicerar ni ert varumärke till att börja med? Kommunicerar ni även ert varumärke till andra segment på marknaden för att göra ert varumärke välkänt?
5. Hur arbetade ni med ert varumärke för att nå en bättre “positioning” position än era konkurrenter?
6. Har ni använt er av några specifika strategier för att stärka ert varumärke? i så fall vad/vilka?
7. Vilka kanaler eller medier har ni använt er av för att marknadsföra ert varumärke/ produkt
8. Har du några exempel på hur ni använt marknadsföring för att öka intresset för er produkt?
9. Vilka är era konkurrenter?
10. Hur bra tror ni att er målgrupp känner till ert varumärke i förhållande till era konkurrenters varumärke? RANKA 1-5

Brand Association

1. Hur vill ni associeras/uppfattas?
2. Vad vill ni att era kunder ska associera ert företag med? (läg kostnad, kvalitet, överlägsen, god kundrelation?) RANKA 1-5
3. Hur jobbar ni för att uppnå dessa associationer (vilka strategier)?
5. Vad är företagets värderingar? är det viktigt att kommunicera dessa?

**Brand Loyalty**

1. Vad är kundrelationer enligt dig?
2. Fokuserar ni på att erbjuda en överlägsen product/service/lösning till en bredare publik eller fokuserar ni på att skräddarsy lösningar till er målgrupp?
3. Är kundlojalitet i focus när ni bygger ert varumärke?
4. Har ni några specifika strategier för att uppnå kundlojalitet för ert varumärke?

**Perceived Quality**

1. Är Kvalitet viktigt för er?
2. Är det viktigt att er kvalitetsnivå uppfattas som samma eller högre än era konkurrenters? Varför/varför inte?
3. Om JA hur försäkrar ni er om att uppnå denna kvalitet samt marknadsför den?
4. Hur tror du era kunder uppfattar er kvalitet i förhållande till era konkurrenters kvalitet?
5. Har ni en fördel över er konkurreneter i förhållande till pris eller kvalitet?

**Generic Competitive Strategies**

1. Hur skulle ni ranka er marknadsposition/marknadsandel i jämförelse med era konkurrenter?
2. Är era lösningar/produkter/service bättre än era konkurrenters? Varför?
3. Är era lösningar/produkter/service annorlunda i jämförelse med era konkurreneter? Hur?
4. Är era lösningar/produkter/service dyrare/billigare än era konkurreneters? Varför?

**9.2 Interview Questions in English**

**Company Background**

1. Can you describe your business idea and what’s unique about it?
2. Why did you start the company? Values?
3. What was the focus when you started the company?
4. How many employees were you when you started and how many are you now?
5. What do you believe are the biggest challenges when starting a company?
6. How is the industry? Is it hard to establish a company within this industry? Why?
7. How many products/services do your company provide?
8. Is the company and the product(s)/service(s) sharing the same brand name or not?
9. Is the brand name for the product(s)/service(s) and the company the same as when you started?

**Brand Awareness**

1. Who is your target market?
2. What is good branding according to you?
3. How do you work with branding? How do you communicate the brand to your desired target market? (TV, Radio, Direct sales, tele marketing, e-mail, Advertising agency, consultant etc.)
4. How did you communicate the brand in the beginning? Do you communicate your brand to other segments in the market as well to increase brand awareness?
5. How did you work with the brand to achieve a desired positioning?
6. Have you used any specific strategies to increase the brand equity?
7. What types of channels/media have been used to communicate the brand?
8. Have you any examples on how you worked with branding to increase brand awareness?
9. Who are your competitors?
10. How aware of the brand are your desired target market? Evaluate 1-5

**Brand Association**

1. How do you want the brand to be associated?
2. What do you want your customers to associate your brand with (e.g. cheap, quality, superior, customer relationship)? Evaluate 1-5
3. How do you work towards attaining these associations (what strategies)?
4. What associations do you believe the customer have towards your brand and how do you associate the brand? Is there a gap? Why?
5. What is the values of the company? Are these important to communicate?

**Brand Loyalty**

1. What is customer relationship according to you?
2. Are you focusing on solving a problem by providing standardized product(s)/service(s) to a wider audience or are you focusing on customizing solutions to a narrower target market?
3. Is customer loyalty in focus when building the brand?
4. Do you have any specific strategies to achieve customer loyalty towards the brand?
5. How do you reach your customers? How do you find new customers? How do you work to maintain your customers? Why is this important for your company?
6. How do you perceive the customer relationships? Short-term or long-term?

**Perceived Quality**

1. Is perceived quality important according to you?
2. Is it important for you that the customer perceive the quality as equally good or better than your competitors? Why/Why not?
3. If yes, how do you work to achieve this level of perceived quality?
4. How do you believe your customers perceive your quality in comparison to competitors?
5. Do you have a competitive advantage in terms of price or quality?

**Generic Competitive Strategies**

1. How will you rank your market position/market share relative to your competitors? (why?)
2. Are your solutions/products/services better than your competitors’? (why?)
3. Are your solutions/products/services different from that of your competitors? (why?)
4. Are your solutions/products/services cheaper/more expensive than your competitors? (why?)